CONGRESS' ATTEMPTS AT BUDGET REFORM: THE IMPACT OF THE CONGRESSIONAL BUDGET OFFICE ON THE DEFENSE BUDGET PROCESS

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ON THE DEFENSE BUDGET PROCESS

by

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This thesis assesses the impact of the Congressional Budget Office (CBO) on the defense policy-making process of the Congress. It provides historical background on the compelling influences underlying legislative budget reform and changes in the Congressional defense policy system that suggested a need for a CBO.

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Congress' Attempts at Budget Reform: The Impact of the Congressional Budget Office on the Defense Budget Process

by

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requirements for the degree of

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ABSTRACT

This thesis assesses the impact of the Congressional Budget Office (CBO) on the defense policy-making process of the Congress. It provides historical background on the compelling influences underlying legislative budget reform and changes in the Congressional defense policy system that suggested a need for a CBO.

Specifically, it analyzes the manner in which the National Security and International Affairs Division within the CBO has contributed to Congressional defense policy-making. Particular emphasis is given to the effect which the CBO has had on the defense budget process itself, and assessment of the substantive value of its analyses and budget estimates with respect to their impact on defense policy outcomes.

Extensive review of available archival data and published reports is complemented by interviews of Congressional committee staff members who have had a direct experience or working relationship with the CBO regarding defense issues.

Major conclusions were that 1) CBO has made a measurable policy impact on specific defense issues, and 2) the degree to which this impact is observed varies among Congressional clients and is dependent upon their specific budget orientation and needs.

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Finally, I dedicate this paper to my wife and our two children, Melanie and Christopher, who have made this endeavor all the more surmountable.

I. INTRODUCTION

A. PROBLEM DEFINITION

On July 12, 1974 President Nixon signed into law a bill intended to improve the mechanics of the Federal budget process (PL 93-344), the "Congressional Budget and Impoundment Control Act of 1974." The creation of the Congressional Budget Office (CBO) as a primary new support agency was one of the major innovative budget reform measures provided by the act. Congress, in attempting to correct some of the deficiencies in its budget process, established the CBO with a mandate of providing Congress with independent budget and policy analysis information. However, since its inception in early 1975, the Congressional Budget Office has received conflicting assessments regarding its value to the new Congressional budget process. Moreover, practically no analysis has been conducted relating to CBO's impact on the defense budget.

B. PURPOSE OF THE STUDY

The purpose of this study is to assess how the National Security and International Affairs Division (NSIAD) of the CBO has affected the Congressional defense decision-making process. This research will address Congressional use of the CBO to analyze defense budget options and choices and provide Congress with an objective assessment of the consequences of their decisions. In addition, it will evaluate the use of

the CBO by committees and Members of Congress as a tool which leads to more informed decisions.

Specifically, this investigation will answer the following three basic questions regarding the CBO's role in defense policy-making.

1. Has the CBO played a significant role in shaping Congressional defense policy debate and key decisions?
2. Has the CBO changed the systematic character of the Congressional defense policy-making process?
3. Is the CBO adequately staffed and equipped to carry out its mandate of independent policy analysis relative to the defense issue-area?

Correspondingly, this analysis will attempt to confirm several propositions regarding the role, interrelations, contributions, and influence of the National Security and International Affairs Division - and inferentially, therefore, the CBO - as an analytical backstop/resource in shaping the Congressional defense policy process.

C. SUMMARY OF THESIS CHAPTERS

This thesis' organizational structure is centered around the three questions presented above. By way of introduction to the study, therefore, it seems appropriate to provide a synopsis of the scope of each succeeding chapter in relation to these questions.

Chapter Two, entitled "Congress Needed an OMB," provides a historical description of the repeated attempts and impetus

for Congressional budget reform and the resultant creation of the Congressional Budget Office, as an integrating mechanism in the new budget process established by the 1974 Budget Reform Act. It then defines the Congressional defense policy-making system - based on a review of previous research conducted by Laurance (1976) and Haass (1979) - and relates the systematic characteristics of this system to the need and implications for CBO involvement in the formulation of defense policy. Thus it suggests the usefulness of the CBO in certain areas of the defense policy process for the Congress and its committees.

The aim of Chapter Three, which is entitled "Congressional Budget Office: A New 'Watchdog' Of Congress," is to describe the statutory role and responsibilities conferred upon the CBO by the 1974 legislation. By way of demonstrating the distinctive character of this role, and thereby show the operational boundaries defining CBO's potential for policy impact, a comparison is made between CBO and OMB (Office of Management and Budget) in terms of the different nature of their jobs vis-a-vis the budget process. In addition, a description of CBO's organization and staffing structure is presented as a basis for understanding subsequent evaluation of its organizational effectiveness.

Chapter Four is entitled, "Realized/Unrealized Expectations: Conflicting Views on CBO's Performance," and presents diverse assessments by its own staff, by other parts of the Congress, particularly committee staff members, and by outside observers, of CBO's performance and effectiveness in the early years of

its existence. It tests the hypothesis that these differences regarding CBO's effectiveness, are a function of differences in viewpoint regarding CBO's appropriate role and external relationships.

Chapter Five, entitled "National Security and International Affairs Division," attempts to: first, assess the utility of the CBO in providing Congress with adequate information and analysis - independent of executive sources - both to facilitate full accomplishment of its functions and strengthen Congressional policy influence, second, measure the extent to which Congress avails itself of this assistance, specifically in its defense policy-making effort, and third, defend the proposition, among others presented, that Congressional participation in defense policy-making no longer has the characteristic of responding mainly to executive initiated proposals and/or choosing among given alternatives. These three aims are explored, using a series of propositions describing the system that defines the process model for CBO-Congressional interaction.

To provide evidence confirming these propositions, empirical indicators are presented based on analysis of data relating to the National Security Division's development, its defense analysis activities, and the response given to its reports and special studies by Congressional consumers. A second and more difficult objective will be to achieve some progress toward testing the hypotheses that: (1) CBO's analyses have substantially influenced the Congressional decision-making process regarding defense policy issues, and (2) CBO has had more impact on defense issues than on any other issues involving Congressional policy debate.

Finally, Chapter Six provides a summary of principal findings and conclusions resulting from the foregoing analysis. In addition, it presents recommendations regarding further research associated with this topic.

D. CONCEPTUAL APPARATUS/RESEARCH TECHNIQUES

The conceptual framework of this analysis is a series of chronological "snapshots" of the CBO's evolution, commencing with the years prior to the CBO's establishment (i.e., impetus for reform), and progressing through its early developmental stages (1975-1976), culminating with an examination of its performance in the last five years (1977-1981). Research techniques for this study involve primarily archival review of related literature, complemented by interviews of various CBO staff and Congressional committee/staff members. The latter process will allow this writer to capture the most recent appraisal or opinions of those who perhaps are most intimately involved or have some unique insight as to the inter-relationships and interaction that currently exists between the CBO and its clients. This will also serve to bring up to date previous analyses of conflicting perceptions by observers within the CBO, Congress, and outsiders, of CBO's utility in the several years immediately following its creation.

II. CONGRESS NEEDED AN OMB

A. HISTORICAL BASIS FOR THE CREATION OF A CONGRESSIONAL BUDGET OFFICE

Congress derives broad legislative authority from its inherited constitutional mandates and formal powers, which can be characterized into three distinct functional areas of responsibility. The Congress creates and administratively manages the executive departments and agencies, formulates and enacts the laws of the nation, and controls the budgetary purse strings. Ippolito succinctly emphasizes the overriding importance of the power of the purse as the basis of Congressional authority, (quoting Fenno, 1966:xiii), "underpinning all other legislative decisions and regulating the balance of influence between the legislative and executive branches of government." [Ref. 1]

Congressional power of the purse, that is, the authority to raise revenues and expend public monies, has perhaps been the most pronounced controversial issue and prominently visible conflict between the Presidency and the Congress. The growing powers of the presidency vis-a-vis the budgetary process was the cause of mounting discord and reaction to what seemed to be an overruling of Congressional prerogatives. This perception of an increasingly disproportionate balance of executive-congressional budgetary influence resulted in Congress' initiation of several formal attempts at budget reform and control since the early 1920s.

Hence, the first part of this chapter is devoted to providing a brief overview of Congress' systematic attempts to deal more effectively with the problems, deficiencies, and conflicts it encounters in executing its managing role in the Federal budget process. This historical transition or perspective is primarily helpful in facilitating an understanding of the underlying need for the creation of a Congressional Budget Office (CBO) to assist in strengthening the Congressional budgetary decision process. The second part of this chapter is concerned specifically with establishing the fundamental basis and rationale for CBO's involvement and inherent utility in providing a rational/analytical framework for Congressional policy debate in making defense resource allocation decisions. This latter section, then basically reviews previous research and analysis of the Congressional role in national defense decision-making, and examines and discusses areas in which CBO can be a potentially powerful tool in shaping Congressional information processing and appraisal of policy options regarding defense issues.

The ensuing tracing of Congressional budget reform history will focus primarily on four central themes or topics which generally illuminate and form the basis for a precipitated Congressional concern over the need to change its role in the Federal budget process. These are presented below and are not necessarily in any particular order of significance.

1. Congressional dependence on the Executive Branch for budget-related information, advice, and recommendations on

matters encompassing federal economic policy and the broad range of government activities and programs. Congress, in effect, was incapable of coherently challenging presidential fiscal policy and spending preferences through independent analysis of policy alternatives.

2. A perceived disparity, on the part of Congress, between executive-congressional budgetary influence and a gradual erosion of Congressional control (power) in favor of presidential dominance over Budget matters.[1] This eventually led to an intense and protracted confrontation involving battles between Congress and the President over budget decisions regarding conflicting policy and program preferences and trade-offs. This persistent tension and acrimony culminated in the Nixon Administration amid a heated controversy over Nixon's proclivity for impoundment action, pocket vetoes and the like, with the passage of the perhaps most assertive and exhaustive attempt at budget reform - the Congressional Budget and Impoundment Control Act of 1974, as a restorative measure to regain control over the federal budget.

3. Deficiencies inherent within Congress' internal budget processes and organization. Prominent among a list of criticisms and/or problems of the congressional budget process is Congress' inability or unwillingness to deal with the federal budget as a comprehensive whole (i.e., consolidated

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[1]Congress essentially acceded in an acquiescent manner to transferring a major portion of its control to the executive when it enacted the Budget and Accounting Act of 1921.

package), instead of a fragmentary set of individual appropriations requests with no concerted view toward the broad economic consequences of such uncoordinated actions.

4. The inability of Congress to adequately address the fiscal, economic, budgetary, and programmatic policy implications of alternative courses of action regarding budget decisions for allocation of limited national resources among competing needs (defense policy-making included). This stems basically from the lack of an analytic capability or institutional mechanism, akin to that of the Office of Management and Budget (OMB), through which it could weigh the priorities for national resource allocation and explicitly address issues of fiscal policy.

Within the context of the four central themes mentioned above, Congress has made several attempts to strengthen their influence over the budget process and effectiveness in national policy making. During the latter part of the nineteenth century, the Federal budget process had gradually deteriorated due principally to: "(1) the splintering of fiscal power in the Congress, (2) administrative attempts to circumvent congressional control, and (3) "chronic" surpluses created by tariff revenues." [Ref. 2]

Beginning with and remaining subsequent to the period 1877 to 1885 (Post Civil War), Congress had instituted procedural changes in the budgetary process calling for a separation of jurisdiction over spending versus revenue legislation between

Appropriations Committees of the House and Senate, and legislative (or authorizing) committees of both chambers.[2] While this essentially gave legislative committees more authority and autonomy over programs within their jurisdiction, it inevitably led to a diffusion of responsibility over fiscal policy. "Thus no one unit had authority to examine expenditures and receipts and to try to bring the two into balance." [Ref. 3]

As the federal budget continued to grow to enormous sizes, the fiscal shortcomings associated with this fragmented view of spending also displayed a worrisome trend. As late as 1974, Sen. Sam J. Ervin, Jr., described the chaotic congressional budget process: "Congress never decides how much total expenditures should be, nor does it go on record as to whether the budget should have a surplus or a deficit. The total seems to just happen, without anyone being responsible for it, or knowing with much confidence what it will be." [Ref. 4] Meredith [Ref. 5], also espouses this view of fragmented congressional authority, pointing to the "seemingly disjointed approach of Congress to its tasks."

Although unconstrained spending by Congress was under attack by the Presidency, the executive branch was not without fault in its relations with the treasury. Pfiffner [Ref. 2: p. 12] attributes the executive tactic of coercive

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[2] "Both the Senate and the House of Representatives are divided into more than twenty committees apiece, to which members are assigned by their respective parties in numbers reflecting the overall balance between the parties in Congress." [Ref. 6: p. 149]

deficiencies - along with the traditional transferring of funds. He cites Wilmerding, 1943: "Agencies would spend their funds for the year and threaten Congress with the cessation of essential services if additional funds were not provided."

Pfiffner [Ref. 4] relates the apparent irony, to the twentieth century observer of current fiscal policy, of the third causal factor of the budgetary malaise of the late 1800s: "chronic" budget surpluses. The main source of federal revenue was the protective customs tariff, of which a large trade volume insured a constant supply of funds for government spending. The absence of an internal income tax offered no political deterrent to effectively apply pressure on both Congress and the Executive Branch to strive for economy and efficiency. Congress could then continue to be lax in its spending policies, while the Presidency went unchecked in its habitual coercive deficiencies tactic. Retorts Pfiffner [Ref. 2: p. 13]: "But the habits formed during the years of surplus continued after the surpluses disappeared and contributed to the demands for an executive budget and more discipline in federal spending."

As a result, the Taft Commission on Economy and Efficiency was created by Congress in 1910 to examine the national budget system with emphasis toward reform. The Taft Commission released its report two years hence, recommending a revamping of the executive financial process in terms of a centralized, national budget system under presidential direction. The

commission felt that a consolidated budget system with presidential oversight would provide for a more coherent consideration of spending and revenue issues. Moreover, the president would submit his budget plan to Congress for its action, with functional categorization of budget items making choices among policy priorities more obvious. Pfiffner [Ref. 2: p. 13] further relays the commission's argument for recommending that Congress restrict its realm of legislative purview to deciding policy issues, while allowing the president the prerogative to direct actual implementation of federal policy. The commission's rationale was, in effect, that its proposed plan constituted a rational foundation for promoting mutual cooperation between the legislature and the executive for shaping and executing national policy.

In the aftermath of the extreme economic and financial pressures brought about by World War I, Congress finally succumbed and passed a compromised version of the Good bill [Ref. 2: p. 15], establishing the 1921 Budget and Accounting Act. In doing so, Congress was naively imperceptive of the imperiling nature of its decision, as it would much later realize. At issue was Congress' waning power over policy matters relative to an increasingly imperious presidency. That which, as appallingly witnessed during the Nixon Administration, would resort oftentimes to spurious, shrewd, and whimsical challenges of Congressional program and policy preferences. Hence, the essential beginnings of the "imperial presidency." Haass [Ref. 6], and Schlesinger [Ref. 7], relate the

emergence of an imperial presidency, with dominance over policy and program initiatives, to Congress' failure to face up to its constitutional and political responsibilities. Ippolito [Ref. 1], Pfiffner [Ref. 2], and Wildavsky [Ref. 8] reflect similar viewpoints. Congress relied on the president to impose budgetary restraint and discipline, and the 1921 Budget Act provided him with the requisite tools. What this act really did was to pave the way for mounting presidential discretion and dominance over budget policies and prerogratives for future decades.

As shall be discussed in a later chapter, the act also created the Bureau of the Budget (BOB) - later changed to the Office of Management and Budget (OMB) by the 1970 Legislative Reorganization Act - which was to play a significant part (vis-a-vis the process of central legislative clearance), in the perceived relative imbalance of budgeting powers between Congress and the president. Pfiffner [Ref. 9] concedes that the accretion of presidential dominance over national policy matters is related to the "development of the institution of legislative clearance, that is, the necessity to clear legislative proposals from the Executive Branch with the Budget Bureau before they can be sent to Congress." A parallel and equally overwhelming source of advantage over Congress, in terms of using the budget to promote policy initiatives and leadership, was the Budget Bureau's (now OMB's) inherent capability to gather and process budget information and analyze alternative policy choices. The Bureau could make specific program recommendations and implement these choices (executive preferences and priorities),

within its mandate of integrating a federal (omnibus) budget and exercising management overview of all federal agencies. Not surprisingly, President Nixon in 1970 reaffirmed the Bureau's central position in the budgetary process by reorganizing it, "creating the OMB and giving it the responsibility of implementing and evaluating legislation and policies." [Ref. 10: p. 60]

Another development which marginally strengthened the president's budget leadership and broadened his scope of responsibility, was the enactment of the Employment Act of 1946. [Ref. 10] Part of this legislation empowered the president to make policy and budget decisions pursuant to the federal responsibility for effectively managing the national economy. The president would be aided by a newly established Council of Economic Advisors (CEA) in preparing a required annual economic report for Congress' review. To assist Congress in its evaluation of presidential recommendations for economy policy, the Joint Economic Committee (JEC) was also created. Consequently, the 1946 Employment Act "established a federal government role in economic management and assigned a central position to the president as what as has been termed the 'Manager of Prosperity'." [Ref. 11] The Nixon Administration went so far as to interpret the act as "confering a general discretion on presidents to modify appropriations measures in order to control inflation." [Ref. 2: p. 57]

Andrews [Ref. 12], describes yet another attempt by Congress at reform, with the passage of the Legislative

Reorganization Act of 1946. He bases the following abbreviated account of Congress' failure to effectively implement a "legislative budget" in response to a growing deluge of criticism of the existing Congressional budget process, on the work performed by Saloma [Ref. 13]:

> The House Ways and Means Committee, the Senate Finance Committee, and the House and Senate Appropriations Committees were to meet and report a legislative budget to their respective Houses by February 15. This budget was to include over-all Federal receipts and expenditures and to be accompanied by a concurrent resolution fixing a ceiling on total appropriations. This legislative budget was never implemented. In 1947 both Houses passed concurrent resolutions which never got out of committee because of a deadlock on the distribution of an anticipated surplus. In 1948 a ceiling was set, but was disregarded by the appropriations committees and Congress. In 1949 the legislative budget was postponed for three months. In that time eleven bills had passed in the House and nine in the Senate. Consequently, no legislative budget was reported that year, nor has one been reported since.

Section 138 of the act, calling for a legislative budget, remained essentially obscure for the ensuing two decades until rescinded by the Legislative Reorganization Act of 1970 (Section 242). The concept of a legislative budget had been counterproductive to achieving budget discipline due to conflict with certain pragmatic realities. [Ref. 14: p. 237] Saloma [Ref. 15], Ippolito [Ref. 16], Pfiffner [Ref. 17], and Fenno [Ref. 18] advocate similar opinions of why this reform attempt failed. Saloma's reasons for the legislative budget failure are threefold:

"1. The Joint Committee on the Legislative Budget was not constituted or staffed on a realistic basis.

"2. The scheduing of the legislative budget did not leave adequate time for joint Committee consideration.

"3. Congress was reluctant to commit itself to a legislative budget prior to detailed consideration of the separate appropriations requests." [Ref. 19]

Subsequent to the illfated 1946 reform attempt there have been numerous other proposals of a restorative nature, all of which met either with Congressional disapproval or have turned out to be ineffective. Ippolito [Ref. 1: p. 98], lists several of these: "The 1950 Omnibus Appropriations Bill, separate budget sessions, expenditure ceilings, and Joint Budget Committees."

It is useful to interject here a discussion of an ever persistent irritant which further weakened Congressional control over the federal budget during the decades following the 1946 legislative reform failure - "backdoor spending." The subject of internal strife between the authorizing committees and Appropriations Committees, backdoor spending is a prime example of the problems associated with Congress' institutional fragmentation of authority over budget matters. As defined by Pfiffner [Ref. 2: p. 141], backdoor spending is "legislation that creates budget authority but originates in a legislative rather than appropriations committee." An example is the House Ways and Means and other committees that effect spending through tax legislation (i.e., tax expenditures), or direct drafts on the Treasury. Ippolito

[Ref. 1: p. 95], describes the earliest examples of backdoor spending, involving contract authorization and loan authority. Briefly, the first had to do with authorizing committees creating statutory authority for agencies or departments to enter into contracts or obligations without specific appropriation approval. The award of a contract or incurrence of an obligation in effect necessitated funds subsequently being appropriated without much Congressional discretion over such provision. Loan authority empowered certain agencies to circumvent the appropriations process by borrowing funds directly from the Treasury. Hence, a perceived and efficaciously outright dominance of the authorizing committees versus Appropriations Committees over spending decisions. Fenno [Ref. 18: pp. 98-108], traces the development of backdoor spending techniques.

More recently though, another variant of backdoor spending has become extremely significant in terms of runaway or uncontrollable spending. These are "mandatory entitlements," which command huge sums of federal monies in the form of unemployment compensation, social security, welfare payments, income sharing, and other social insurance programs by persons or states and local governments who meet the legal requirements for receipt of payments. In effect, as Ippolito states, this type of spending is contingent upon eligibility rules, state of the economy and bureaucratic efficiency rather than prespecified appropriation authority. [Ref. 1: p. 96]

As a result of this growing infringement upon the appropriations process, Congress set several controls to curb backdoor spending methods as part of the reform provisions of the 1974 Budget Act. Although as Ippolito stresses, these measures have only stifled, not totally removed, such encroachments: "In 1975, for example, approximately $11.5 billion in contract authorizations and $1.5 billion in loan authority were available without current action by Congress." [Ref. 1: p. 95]

Nonetheless, what is important to note here, and the focus of the preceding review of the backdoor spending issue, is the notion of "controllable versus uncontrollable" and its applications (as shall be pointed out in the latter section of this chapter) to the systemic characterization of Congress' defense policy-making process and the intrinsic nature of the defense issue itself. Mandatory entitlement programs such as those enumerated above, constitute much of the 70 percent or so of the federal budget that is "uncontrollable." On the other hand, the defense budget is relatively controllable by Congress. An important observance and distinction to make is the diverse nature of defense decisions (over strategic, programmatic issues) versus domestic decisions (over structural, fiscal issues). Laurance [Ref. 20], explicitly addresses these terms (strategic vs. structural) in his extensive examination of the role of Congress in defense policy-making.

For example, policy decisions regarding the size and composition of the U.S. Navy (i.e., force design issues), MX-Missile basing or strategic/tactical nuclear weaponry, as opposed to issues surrounding social welfare programs such as food stamps, and health insurance or agricultural price support subsidies, are generally under less scrutiny from the mass public, the media, or even the attentive public (lobbyists, interest groups, advocates, etc.). What is relevant here is the nature of defense issues. The character of the defense issue is portrayed by the terms: scientific, technical, secretive, and high risk. Again, it is necessary to differentiate between the dimension or riskiness as associated with national security and that which is related to political feasibility. Congress will habitually leave decisions involving high risk defense implications to the president, whereas, within the context of political risk, it is apt to feel more comfortable and less restrained (i.e., more flexible) to make policy decisions on most mundane defense issues than it would in deciding, say, welfare issues.

Put another way, even though legislators would be consciously aware of their representative role of providing constituent service, they will probably exercise less caution in voting on spending bills affecting defense than they will regarding welfare or any other domestic concern. The essence of this different Congressional outlook on defense legislation is then, the nature of the issue itself which

attracts less public interest and involvement (or reaction). This premise holds true, however, assuming there is no dramatic increase in the public's perception of the military threat or growing public criticism of the military-industrial complex. [Ref. 21: pp. 433-434]

Given the controllable aspect and special nature of the defense policy-making arena, a proposition is offered here to the effect that Congress, in the wake of its newly found budget expertise, should, potentially can, and does now play a greater hand in defense policy. Moreover, that this recent emergence of a strengthened role in Congressional oversight and scrutiny of the defense budget has come about as a direct consequence of the revamping of its budget-review machinery. With the passage of the 1974 Congressional Budget Act, Congress created the newest of its support agencies - the Congressional Budget Office (CBO) - henceforth, arming itself with the necessary fact-finding and analytic tools that would enable its independent review and assessment of policies in a manner in which it could never have done so before. This thesis purports to demonstrate that the CBO is a major factor in helping Congress to participate effectively in the defense policy process and thereby shape that policy.

The Congressional Budget and Impoundment Control Act of 1974 (PL 93-344), has been the latest in a string of attempts at budgetary reform. [Ref. 22] Its goals or purposes are explicitly listed in section 2 of the act,

however, Aaron Wildavsky best summarizes its general purpose in maintaining that the goals of reform of budgeting in the U.S. are economy, efficiency, improvement, or just better budgeting. [Ref. 8: p. 127] The 1974 act essentially was aimed at putting a halt to unchecked presidential spending discretion, a complete reversal of the unilateral budget power afforded the president in the Budget and Accounting Act of 1921. Basically then, Congress established a Joint Study Committee on Budget Control in the fall of 1972 for the primary purpose of suggesting ways to reassert Congressional spending control and effect coordination of budget outlays and receipts. [Ref. 1: p. 99] Ippolito states that "in addition, however, Congress was faced in 1972 with a sharp executive challenge to its budget authority. When Congress did not agree to the Nixon administration's request for a $250 billion ceiling on fiscal 1973 expenditures, the President accelerated the use of impoundments to impose the ceiling." [Ref. 1: p. 98] As such, the primary impetus for the 1974 budget reform came from a serious presidential challenge to Congressional budgetary prerogatives.

Pfiffner [Ref. 2: pp. 132-144], provides a comprehensive account of the Joint Study Committee's recommendations for budget reform and the legislative history of H.R. 7130 which was finally enacted into law.

Ippolito [Ref. 1: pp. 99-100], also gives a detailed review of six major problems that characterized Congress' handling of the budget and which were the focus of Congressional attention in its consideration of budget reform legislation leading up to the 1974 act. These problems were presented in the beginning of this chapter, in a condensed form in terms of four central themes for discussion of factors affecting Congress' capacity to make and control policy.

The remainder of this thesis focuses on the perhaps most essential and significant procedural and organizational change enacted under PL 93-344 in response to the fourth major problem in Ippolito's list: "4. There was no staff organization responsible to Congress to provide fiscal policy and program analysis. Congress was accordingly too reliant on information and analyses provided by the President and the Office of Management and Budget (OMB)." The response, in effect, was the creation of the Congressional Budget Office (CBO) as a counterpart to the Executive Branch's OMB, with the mandate of providing Congress with nonpartisan and independent budget estimates, economic projections, and policy analyses in order to lessen Congressional dependency on Executive Branch data and analyses. [Ref. 2: p. 138]

The role of the CBO in the successful implementation of the new Congressional budget process will be examined more closely in chapter three of this paper. First, however, it is necessary to present a perspective of growing Congressional influence over the defense budget process by viewing how Congress' role in defense policy-making has evolved. This is the subject of the following section.

B. EVOLUTION OF THE CONGRESSIONAL DEFENSE BUDGET PROCESS

The discussion to this point has concentrated on Congressional budget power in general and has shown how executive legislative conflict over budget decisions manifested a need for a CBO. Now we will examine Congressional budget power in a specific policy area - Defense. The intent is to assess the Congressional defense policy process to determine the need and implications for CBO involvement in the formulation of defense policy.

The following description of the evolving role of Congress in the defense policy-making process since the later 1940's, stems primarily from Edward J. Laurance's doctoral research and published articles on this topic. In his 1976 article [Ref. 20], Laurance takes a systematic look at the factors, both internal and external to the Congressional institution, that he believes describe and explain a changing participatory relationship between Congress

and the Executive Branch in the area of defense policy. He postulates that significant changes in the role of Congress in the defense budget process have occurred since 1968 and attempts to substantiate this claim through the development of certain systemic indicators.

First, he constructs a descriptive model of the actual decision process which directed the nature of Congressional participation in national defense policy-making during the period 1947-1967. In depicting the general process characteristics of the system, he bases his description on the review of previous studies done on Congress and defense prior to 1968. [Ref. 21: pp. 432-433] His heuristics-based process model evolves around a set of 14 propositions (or assumptions) which he bases almost entirely on conclusions drawn from these works. Summarily, these propositions parallel the conventional viewpoints of the post-1968 literature: "that the Congressional role in defense policy during the 1948-1968 period was a passive one of reacting to the information and policy alternatives put forth by the Defense Department." [Ref. 21: p. 433]

Laurance proposes a secondary objective of attempting to test the hypothesis that there exists a temporal dichotomy in defense policy systems between the periods 1947 to 1967, and 1968 to 1974. The propositions he puts forth regarding Congressional behavior on defense policy matters

in effect describe the behavioral norms defining the 1947-1967 system. His first set of propositions convey the consensus of expert opinion regarding the executive primacy view of Congressional policy oversight. Examples are:

1. "Congress processes structural (or financial) issues of defense policy, while the executive branch processes strategic (or program) issues." Basically, he implies, Congress necessarily gets more actively involved with domestic problems relative to foreign problems.
2. "Congress acts as a conduit for the majority of the defense programs of the executive branch, especially in comparison with other issue-areas." Here he presents the notion of the military committees' habitual "rubber-stamping" of executive defense program initiatives, due to their myopic focus on fiscal (i.e., cost/benefit) imperatives of defense management. [Ref. 20: pp. 215-216]

His second set of propositions offer explanations for the executive dominance syndrome affecting the defense policy process. Two examples are:

1. "Executive monopoly of intelligence and technology as it relates to defense policy, insures executive dominance in that Congress only processes alternative programs generated by the executive branch." Here, Laurance introduces the aurora of impenetrability surrounding the very nature of the defense issue. That is, as previously

mentioned, the secrecy, expertise, technological complexities, and high risks associated with defense policy issues (that remained the purview of the Executive Branch), which served to subjugate both public interest and Congressional scrutiny.

2. "Executive dominance in defense policy-making is enhanced by general public support for defense programs in-being or proposed by the executive branch." Here again, the nature of the defense issue along with favorable public opinion (i.e., high perception of external military threat)[3], interferes in Congressional capability to put pressure on or influence executive policy proposals. [Ref. 20: p. 217]

Finally, his third set of propositions depict the heuristic decision rules that govern the institutional interplay that occurs, both between Congress and its internal committees which process defense policy and between Congress and the Executive Branch/Defense Department. Examples of these are:

1. "The authorization-appropriation process for defense policy is characterized by a lack of coordination and direction." Here he refers to the forces of intercommittee conflict and rivalry, and the decentralized structure of

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[3]Laurance qualifies here that it is only the attentive publics and interest groups that enter the system and hence affect defense policy formulation, but only through the Executive Branch.

Congress that work to preclude a cooperative, coherent, and consolidated review of the defense budget. This view is shared by Haass [Ref. 6: p. 149]: "The chief consequence of this structural disunity is to divide the congressional perspective, making the creation of integrated and coherent legislation and policy almost impossible." "Compromise becomes the paramount concern: (he quotes Congressman Aspin) 'Legislative conflicts in Congress are resolved more often than not by political pressure, not by any rational presentation of the issues'."

2. "The military committees rely solely on executive witnesses when analyzing defense policy." Here the executive monopoly on technology and intelligence, coupled with pro-military committees, combine to obviate the need for access to outside comments and opinion other than testimony from executive source witnesses. [Ref. 20: p. 219]

Next, Laurance proceeds to describe the above system more accurately and provides circumstantial evidence which indicates a perceptible systemic change toward a strengthened Congressional role in defense budgeting in the 1968-1974 period. His methodological framework for analysis centers around a systemic model of the Congressional defense policy-making process. He defines this system in terms of four key subsystems which delineate Congressional behavior and interaction in the defense issue-area. The systematic process model he develops is configured according to:

1. Inputs: These consist of public opinion, lobbies, testimony at hearings, and numerous Executive Branch interactions.

2. Conversion processes: Various intermediate processes, including committee integration (i.e., degree of consensus achieved regarding both procedural and substantive policy outputs), committee staffs, floor debate, and committee report orientation.

3. Outputs: These are measured in terms of both fiscal and programmatic adjustments by Congress to the defense budget, and the emergence of coalitions critical of proposed weapons systems' design and numbers.

4. Feedback: An example of this, which is somewhat difficult to monitor, is Congress' ability to alter defense policy by succinctly warning the Defense Department in advance, of existing Congressional opposition to some particular proposal. [Ref. 21: p. 434]

The conclusions which Laurance ultimately draws are justified on the basis of empirical indicators that show significant evidence of fundamental changes having occurred to the previously defined policy system (i.e., 1947-1967). He summarizes the 1968-1974 system in terms of the following changes:

"1. The number of issues which functionally bypass the legislative process is decreased.

2. Budgets are shaped, in part, by legislative and committee debates on defense policy.

3. Outside witnesses provide non-DOD policy alternatives.

4. Attentive and mass public pressure to decrease defense spending increases.

5. The Senate Armed Services Committee increases the length of its hearings and produces significant internal dissent. In essence, it becomes the main focal point in legislative defense policy-making.

6. The House committee roles resist change, remaining essentially the same as in 1947-1967.

7. The Defense Subcommittee of the Senate Appropriations Committee abdicates any policy role it formerly held.

8. The report-to-floor time period remains the same for appropriations but increases for authorization legislation - significantly, in the case of the Senate.

9. Floor debate and amendments increase significantly in the case of Senate authorization legislation." [Ref. 20: p. 245]

Laurance concludes his analysis by identifying major functions which explain the causes of an increased Congressional role in defense policy. These include: "the Vietnam War, decreased public perception of external threat, a rise in non-DOD defense policy alternatives, increased control of military procurement, a balanced Senate Armed Services Committee, continuing debate on national priorities, and the rise of a legitimate Congressional bloc critical of defense policy." [Ref. 20: pp. 213, 246-247] Finally, he asserts the implications which key variables such as public perception of the threat arising from adverse U.S. relations with the Soviets and the foreign versus domestic spending conflict, have for evaluating the permanency of this change in Congress' defense policy system.

Haass [Ref. 6] puts forth similar criteria (corroborating Laurance's analysis), in his assessment of the qualitative difference in Congress' involvement vis-a-vis the Executive

Branch across a broad spectrum of issues - including defense policy. He states, "The resulting reassertion of congressional involvement in the many dimensions of American security policy can only be understood in the context of the break-down of policy consensus, the erosion of the notion of executive competence, the shock of widespread illegal activities, and the impetus each of these developments gave to the growth of congressional ability independently to create and criticize policy." [Ref. 6: p. 148] His examination of the DOD Authorization Bill for fiscal year 1979 reveals a definite change in Congressional interaction with the defense budget. He concludes that, "Initiative remains largely with the executive, reflecting its greater resources and its sophisticated systems analysis capacity in particular. But although Congress continues to be largely reactive, it is also more able and more willing than previously to challenge the executive on more specific programmes. In addition, and perhaps of equal importance, is the increase in general oversight, even where Congress consents to requests, the requests themselves are scrutinized more thoroughly than in the past." [Ref. 6: p. 160]

C. IMPLICATIONS OF THE CONGRESSIONAL DEFENSE POLICY-MAKING SYSTEM FOR A CBO

To what extent does the CBO exert any influence on the changed Congressional defense policy-making system, as defined by Laurance and Haass in their research? A proposition which this paper seeks to support is that Congress does

constructively use (i.e., is receptive of, requests meaningful studies of) the CBO as an aid-to-policy-making resource. Another, is that the CBO has significantly altered legislative reliance on Executive Branch policy direction and program initiatives. The basis for this change is implicit in Congress' adaptation to CBO's independent analyses of alternative policy options.

This integrative relationship is seen as an outgrowth of the aforementioned step-level changes in the Congressional defense policy system as described by Laurance. As such, it is being intuitively ascribed to Congress' increased effort to compete on a more equitable level with the Executive Branch regarding debate over the assumptions and force-design issues surrounding defense policy.

Laurance's conception of the systematic character of the Congressional defense decision-making system is depicted in Figure 1. [Ref. 20: p. 222] The discussion which follows attempts to demonstrate the need for and the potential impact of a CBO, given a mandate for independent budget and policy analysis, on the defense decision-making system. By introducing the nine step-level changes that he associates with the new 1968-1974 policy system to the indicated systemic configuration, one can formulate certain generalizations as to why each of these changes do or do not create a need for a CBO. Furthermore, one can assess the relevancy for Congressional interaction with the CBO in each of the four key components - inputs, conversion processes, outputs, and feedback.

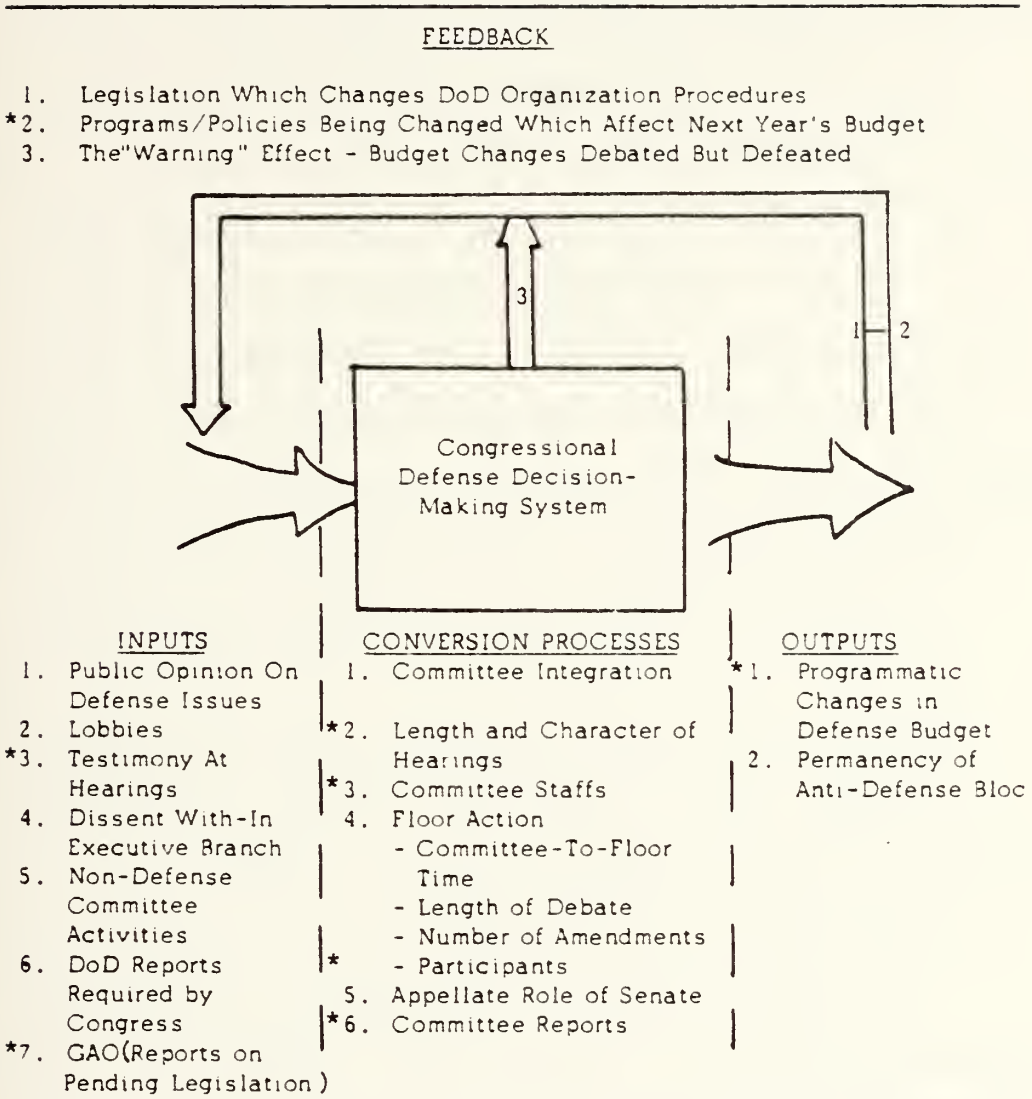

Figure 1: Defense Decision-Making as a System
* Areas for potential CBO impact and interaction (added

For example, one can surmise from the first two changes - increased legislative coverage of issues, and intensity of committee debates on defense policy - that Congress was intent on developing its own sources of information relevant to defense policy-making. Congress' desire to participate more actively in the solution of technologically oriented problems presented by a growing military-industrial complex gave rise to two requirements. First, the need for increased information inputs into the policy-making system, and second, the capability to use this information to appraise, moderate, or alter executive policy recommendations. Although these first two changes clearly indicate Congressional willingness to challenge the executive across a broad spectrum of issues, Congress, as of 1973, had yet to fully develop a structural capacity to do so. Thus, the requirement for a CBO is evident at this point.

The emergence of outside witnesses providing non-DOD policy alternatives is another indicator of the need and potential role for a CBO. Laurance presents evidence showing a significant increase in the magnitude of testimony for the two Senate military committees during the 1968-1974 policy period. He states, "the increase in non-DOD testimony is clear evidence of a major attempt to break the executive monopoly on defense policy alternatives." [Ref. 20: p. 225] That this change was apparently institutionalized, supports the need for creating a CBO to provide expert collateral testimony for aiding Congress in making critical defense policy decisions.

The increase in attentive and mass public pressure for cuts in defense spending did not merely indicate a fundamental change in public opinion against increased defense expenditures, but, more importantly, provided a source of previously nonexistent informational inputs to the decision-making system. Although alternative and adversary public testimony took place before committees not involved with legislating defense policy, the resultant publicity indirectly affected decisions made by the military committees, which operated under a closed system. If one can equate the influence of non-defense committee hearings to Congressional desire to obtain and process more information having relevant implications for a particular policy issue, then the need for a CBO is correlative to establishing a comprehensive information search and processing system.

The first four step-level changes reflect increased information entering the decision-making system, whereas the last five describe the altered behavior of the processing and conversion mechanisms of the system. It is important to note that changes 5, 8, and 9 focus on the Senate Armed Services Committee, and indicate a systematic change in the decision-making model concerning defense authorization legislation.

The significance of this changed behavior is threefold. First, while the Armed Services Committee dealt only with procurement and RDT&E it was having an increasingly important impact on DOD weapons programs in terms of the changed nature of its decisions. Contrary to previous behavior in which the

Committee restricted its decisions to fiscal aspects such as cost effectiveness and program management, the tendency now was to consider programmatic aspects involving force modernization/development and strategic/tactical programs. Second, the internal conflict within the Committee and its extensive use of outside witnesses at defense budget hearings shows a growing reliance on outside opinion sources to supplement the internal staff expertise on defense issues. Third, the pervasiveness of continuing dissent and balanced views on key defense issues, coupled with hearings of longer duration and increased floor debate and amendments, is visibly tied to a committee effort to strengthen the capability and expertise of its staff to effectively process more inputs.

The relevance of all this to the establishment of a CBO is also threefold. First, the creation of a CBO having an aptitude for policy analysis would provide assistance to the authorizing committees in terms of facilitating more programmatic versus fiscal decisions. It would also provide the mechanism for considering priorities and addressing the defense/non-defense trade-off dilemma (i.e., whether money should be moved from health to defense). Second, the CBO as an alternate source of information input and analysis, would expand the committee staff capability to process inputs. Third, CBO's policy alternatives would assist the committees in the formulation of defense policy and lead to better, more informed decision-making on defense issues.

Finally, changes 6 and 7 have no implication for the need for a CBO as an integrating mechanism, except to serve as a partial explanation for why the House, during the writing of the 1974 Budget Reform Act, did not provide for a CBO at all, seeing no use for policy analysis. Or, in retrospect, why there would be conflicting views, subsequent to its creation, on what the role of the CBO should be.

Having shown why a need arose for a CBO, it is necessary to review the active development of the organization. Hence, chapters three and four examine the role, institutional relationships, and internal structure which demarks the CBO's activities, and review previous research evaluating CBO's early performance, respectively.

III. CONGRESSIONAL BUDGET OFFICE: A NEW "WATCHDOG" OF CONGRESS

A. CBO'S ROLE IN THE FEDERAL BUDGET PROCESS

This chapter defines CBO's role and relationships in the new Congressional budget process. In addition, it provides a description of the organizational structure responsible for carrying out CBO's mandate.

Title II, Section 202 of the Congressional Budget Act of 1974 [Ref. 22] explicitly defines and outlines the functions and responsibilities of the Congressional Budget Office. Appendix A to this paper lists the 13 functions of the CBO in the order in which they are presented in the statute. The CBO shares these statutory responsibilities with no other Congressional office.

In her opening statement presented before the Senate Budget Committee in its first CBO oversight hearing since the passage of the Budget Act, Dr. Alice M. Rivlin, Director of the Congressional Budget Office, effectively stressed the essential purpose behind CBO's existence. [Ref. 23: p. 4] She states, "But I think it is clear that the CBO's main job is to help you (Congress) make the new budget process work. If it doesn't do that, it doesn't do anything. It (CBO) is a new kind of thing on Capitol Hill, and together we must figure out how to make it work and have it serve the Congress as well as possible." Dr. Rivlin further elaborates that as the analytical arm of the new budget structure, the CBO's

mandate is to provide Congress with an independent and non-partisan source of analysis and budget information to help facilitate Congressional budget decisions, present alternatives to major policy choices, and demonstrate the consequences and implications of adopting various alternative policies. Furtermore, in performing its functions, the CBO would not work solely for the Budget Committees, but be responsible to all committees and members, in working for the whole of Congress.

More specifically, CBO's role in the new federal budget process is directly associated with the major efforts by the Congress to reassert its constitutional authority over the federal budget. Hence, as previously established in chapter one, the Congress in 1974 enacted a comprehensive budget reform measure, the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344). The Budget Act provides for Congressional determination on an annual basis, the proper level of federal revenues, spending, debt, and the approximate size of the deficit or surplus, through the process of enacting two concurrent budget resolutions which essentially target aggregate budget totals. The Congressional Budget Office publishes an official document delineating its specific responsibilities within this Congressional budget process, from which the following has been extracted. [Ref. 24: pp.1-3]

The Congress develops and passes each Spring, a concurrent resolution projecting budget targets for the ensuing fiscal year beginning on October 1st. Subsequent to the first resolution, in September, the Congress takes a look at the detailed

spending and revenue decisions that have been made through the passage of individual bills. After a process of debates, Congress then adopts a second concurrent resolution, reconfirming or modifying the totals set in the Spring resolution. The first resolution basically sets budget targets, whereas, the second puts forth an actual ceiling on spending and a floor for revenues. Should changing economic and environmental circumstances warrant some adjustments, the Congress can enact additional concurrent resolutions.

To implement these procedures, the Budget Act created three new Congressional institutions: a House Budget Committee, a Senate Budget Committee, and the Congressional Budget Office (CBO). The CBO is directed to provide Congress with its own source of nonpartisan, nonpreferential expertise in the form of budgetary information and analyses of alternative fiscal and programmatic policies. The CBO intentionally refrains from making policy recommendations, staying within its purview of presenting the facts and options for Congress' deliberation and to analyze the possible ramifications of those options.

CBO's responsibilities specifically encompass: estimates of the budgetary costs of proposed legislation, projected over five years; tracking of Congressional budgetary actions with respect to preestablished targets in the concurrent resolutions (scorekeeping); periodic forecasts of economic trends and alternative fiscal policies; analysis of programmatic issues that impact on the federal budget; analyses of the effects of proposed legislation on inflation; and an annual report outlining major budgetary options. These primary functions are further defined below.

1. Cost Estimates: Within practical limits, CBO prepares a five-year cost estimate for the federal government to implement any public bill or resolution reported by Congressional committees. Included in these estimates are projections of new or increased tax expenditures and new budget authority when applicable. A comparison is made with any cost estimates computed by Congressional committees themselves or by federal agencies.

Shortly after the start of each fiscal year, CBO issues a report projecting federal revenues and spending over the next five years, assuming continuance of current policies and programs. These projections provide a baseline against which Congress can evaluate potential changes as it reviews the budget for the forthcoming fiscal years.

2. Scorekeeping: CBO tracks or scores individual Congressional appropriation and revenue bills againt the set targets or ceilings in the concurrent resolutions. Periodic status reports are issued, showing the cumulative results of Congressional spending actions to date vis-a-vis the budget authority and outlay targets. In this report, it has assumed the duties of the Joint Committee on Reduction of Federal Expenditures.

3. Fiscal Analysis: Since the federal budget and the national economy are mutually dependent, the Congress views the budget in the context of both current and projected states of the economy. As a means for attaining such an outlook, CBO prepares periodic analyses and forecasts of economic trends, and analyses of alternative fiscal policies.

4. Program Analysis: CBO engages in analyses of programmatic or policy issues affecting the federal budget. These reports examine alternative policy choices from a nonpartisan viewpoint. They cover diverse areas such as agriculture, energy, housing, hospital and medical costs, defense, state and local government, employment programs, transportation, education, budget procedures, international economic policy, taxation, child nutrition, and programs for reducing government spending.

5. Inflation Analysis: CBO is generally charged with identifying and analyzing inflationary causes. It is explicitly tasked with preparing estimates of the effects of major legislative policy proposals on inflation.

6. Annual Report on Budget Options: CBO presents a report to both the House and Senate Budget Committees by April 1 of each year, which integrates many of the functional aspects of the duties mentioned above.[1] This report is intended to help the two Budget Committees in performing their task of helping Congress decide on fiscal policy aggregates (i.e., total spending, revenue, and debt levels), and national priorities for the next fiscal year. It discusses alternative budget levels, both in the aggregate, as well as from a functional category level of detail.

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[1] "The CBO annual report and economic forecasts are now submitted to the Budget Committees in January or February to be used in preparation for markup of the first budget resolution." [Ref. 25: p. 7]

Congress' inability to set these levels was a major deficiency prior to the establishment of the new Congressional budget process. [Ref. 25: p. 7]

The CBO will prepare a study or cost estimate at the request of the chairman or ranking minority member of a full committee of jurisdiction or the chairman of a subcommittee of jurisdiction. Priority for those services are established by the Budget Act in the following sequence: first, the Budget Committees of the House and Senate; next, the Senate and House Appropriations Committee, the Senate Finance Committee, and the House Ways and Means Committee; finally, all other Congressional committees and Members of Congress. All Congressional Members receive copies of CBO's published reports.

Title III of the Budget Act includes a timetable for various phases of the Congressional budget process, prescribing the actions required to take place at each point. Appendix B outlines the elements of the Congressional budget timetable as they are set forth in Section 300 of the Act, showthose specific instances where the CBO interacts with the new system.

B. CBO-OMB DIVERGENT MANDATES

Before preceding with a discussion of CBO's organization and staffing, it is advantageous at this point to present an overview of the President's Office of Management and Budget (OMB) and highlight several features that distinguish the

CBO from the OMB. In this manner, perhaps, a reasonable explanation can be offered as to why the CBO is structurally organized and manned the way it is.

Regarding the CBO as the Congressional equivalent of the OMB is a somewhat inexact analogy according to Joel Havemann. [Ref. 26] The fundamental distinction between the two agencies he stresses, is that "the OMB is a policy-making institution and the CBO is not." Whereas OMB engages in policy advocacy in support of presidential preferences, CBO restricts its activities to providing the Congress with information and options rather than advice.

OMB's central task, he explains, is to integrate the spending requirements of all the executive departments and agencies into a consolidated annual presidential budget. Major budget issues are subject to final presidential decision, but the OMB, staffed with about 125 professionals reviewing the budget, resolves dozens of issues compared to every one that reaches the President. Once agreement is reached on policy, the OMB then assumes its role of advocate, primarily before the Congress.

Although the CBO must similarly analyze federal spending programs on an annual basis, the OMB must deal with extensive detail in developing a single presidential budget proposal. The CBO, on the other hand, must present Congress with a number of budget strategies from which to choose, to a significantly lesser degree of detail. Hence, a most likely reason for CBO's staff being considerably smaller than OMB's 625.

OMB must inherently be responsive to the policies set by the President, while the CBO, in the absence of any coherent Congressional policy to follow, must, of necessity, cater to all 535 Members of Congress - 100 Senators and 435 Representatives having diverse political views - in proposing satisfactory policy alternatives. The CBO, therefore, is required to maintain an impartial, nonpartisan approach to diminish the chance of client alienation. Lest this occur, the CBO goes so far as to not even recommend policy, and instead merely examines the consequences of alternative policy choices. Havemann quotes C. William Fischer, one of CBO's first assistant directors, as writing, "CBO is to be neutral on outcomes, even with regard to cost, but to clearly identify and illuminate what the implications of alternative actions are, including the costs." [Ref. 27]

Where the OMB annually prepares a set of budget recommendations for presidential approval, the CBO annually presents a budget options paper for Congress' consideration. Not unlike all its other products, CBO's annual report solely expresses the pros and cons of a wide range of budget choices.

In its exercise of central legislative clearance, the OMB reviews a majority of Executive Branch policy decisions, including those having no budgetary consequences. All written reports and testimony originating from the various executive departments and agencies, must receive OMB's approval prior to being presented to Congress. It also reviews all major regulations and presidential speeches. CBO performs none of these functions.

Conversely, Havemann concludes, the CBO has duties for which the OMB has no comparable task. It must provide Congress with economic analyses and trend forecasts, similar to what CEA prepares for the President. Much like the Treasury Department, CBO analyzes tax policy and prepares estimates of tax revenue. Contrary to OMB though, CBO's operations must be openly observable and readily available to public scrutiny, as a staff component of Congress. [Ref. 28]

Another way of describing the divergence in CBO's versus OMB's operating perspectives, is with an example of the nature and degree of cooperation that takes place between CBO and OMB and other Executive Branch organizations. In responding to this question before a 1977 House Budget Committee Task Force hearing on the operations of the CBO, James L. Blum, head of CBO's Budget Analysis Division, provided the following description. "There is a lot of routine conversation at the staff level between CBO staff and OMB staff and agency staff. For example, in unemployment compensation, there is very close communication between our analysts in this area, the OMB, and the Department of Labor analysts. The communication takes the form of exchanging information about the latest available data. We discuss the various methodological techniques for estimating unemployment compensation." [Ref. 29: p. 23] Mr. Blum further related that CBO and OMB published entirely different technical analysis papers with respect to the specific method used in deriving these estimates. The distinction between methodologies lay in the types of mathematical

relationships used to relate the different variables that affect spending levels. CBO believed their method was better, although they made a continued effort to improve the model.

Dr. Rivlin, CBO's director, subsequently explained that the agency's objective was not precisely to reach an agreement with OMB's calculations, but rather that if there should be a difference of opinion, that the reasons for it are mutually understood. She went on to point out that one of the prime areas in which the two agencies differ involves the making of economic assumptions. The direction in which CBO's and OMB's outlay estimates will differ depends on whether one is a little more pessimistic or optimistic than the other. Thus, a compromise need not be achieved; however, the disparity in their numbers should be made understood. Moreover, Dr. Rivlin expressed that for various reasons the CBO has found the need to go directly to an executive agency to obtain desired information, but that this was not done behind the OMB's back as a result of a felt need for independent access to such information. Rather, it was because OMB really didn't know the answer or have the required data. [Ref. 29: p. 23]

One can infer from the above discussion that the CBO, and therefore the Congress, places considerable reliance upon executive departments and agencies for basic information regarding government activities. In essence though, CBO can make its own independent assumptions apart from OMB's about the future course and implications of federal programs. Whether these estimates prove better than those made by the

Executive Branch remains to be seen. However, at least the viewpoints taken are now those of Congress, who doesn't necessarily have to rely on the Executive Branch for policy initiatives or alternatives. Furthermore, we can attribute the difference in staffing between CBO and OMB to the fact that their jobs differ. Whereas OMB needs budget examiners familiar with intricate details of all the programs, CBO requires analysts that can fashion general options and choices in less detail.

Figure 2 summarizes CBO-OMB differences along five basic dimensions - mandate, budget purview, level of detail, loyalty, and staff size.

C. ORGANIZATION AND STAFFING

In a report of the House Commission on Information and Facilities, on the Organizational Effectiveness of the Congressional Budget Office, presented in January 1977, the CBO received high marks regarding the orderliness and clarity of its organization structure. [Ref. 30: pp. 9-10] The report concluded that, "Neither CBO's newness nor its obvious need for staffing flexibility and interdisciplinary analytical collaboration has been taken as a rationale for organizational disorder - a common temptation in academic and research activities." "Indeed its clarity of structure seems to have contributed to staff communication, coordination, effectiveness and efficiency, very much as organization structure theoretically should."

Dimensions:	CBO	OMB
1. Basic Mandate	Provide budget-related data, economic forecasts, and policy analysis	Formulation of major budget policy
2. Budget Purview	Focuses on examining major budget options and choices	Focuses on prescribing overall budget strategy
3. Level of detail in program development	General, more analytical	Detailed, more line-item oriented
4. Loyalty	Congress as a whole - enjoys quasi-independence and ability to call things as it sees them	Produce major budget decisions consistent with administration policy - highly constrained
5. Staff	208	625

Figure 2: Summary of CBO-OMB Differences

The following description of CBO's organizational structure and the major functions of its various departments is based on the most current CBO publication regarding its organization and duties. [Ref. 24]

The Congressional Budget Office is organized into six divisions, corresponding to the statutory tasks outlined in the 1974 Budget Act. Congress establishes CBO's authorized staffing level annually. Presently, the staff comprises just over 200 persons, consisting of both professional and support personnel. The statute specifies only two positions - that of the Director and Deputy Director.

Appendix C provides a diagram of CBO's organization in the form of divisional units. The functions of each of these units are defined below.

Office of the Director, and Deputy Director:

The Director of the CBO has responsibility for insuring that all the organization's functions as specified by the Budget Act are carried out effectively and in a way that provides most usefulness to Congress. The Deputy Director assists the Director in managing the organization and assumes overall responsibility in the Director's absence.

The Director is appointed by the Speaker of the House of Representatives and the President Pro Tempore of the Senate upon the recommendation of both House and Senate Budget Committees, to serve a four-year term. The Director subsequently appoints a Deputy Director.

Office of the General Counsel:

The General Counsel oversees legal matters for the CBO, including interpreting relevant statutes, analyzing proposed legislation, and reviewing procurement activities. He also serves as senior advisor regarding policy issues.

Office of Intergovernmental Relations:

The Office of Intergovernmental Relations (OIGR) performs three functions. First, it acts as the center of communications with the Congress, state and local governments, organizations outside government, and the news media. In this regard, OIGR ensures that information is available at all times concerning the budget process in general, and on CBO's involvement with specific budget issues. OIGR concurrently supervises the publication of CBO studies.

Second, OIGR's program analysis unit performs studies related to the budgetary aspects of government-wide organization, federal workforce employment and compensation, reorganization within the Executive Branch, and other government management activities.

Third, OIGR takes care of interal management and administrative support services for CBO. These duties involve personnel management, CBO's internal budget preparation, financial management, contracting, library services, and office services.

Budget Analysis Division:

The Budget Analysis Division is responsible for the major portion of CBO's preparation of cost estimates,

including the development of five-year federal budget outlay projections, and scorekeeping. The division also develops budgetary terminology as specified in the Budget Act, assists Congressional committees in evaluating budget reform proposals, and designs automated budgetary information systems.

Fiscal Analysis Division:

The Fiscal Analysis Division prepares analyses of U.S. economic activity, forecasts of future economic conditions, and studies of the economic consequences of alternative economy-related policies or developments. The division focuses its analyses on such issues as, inflation, employment, production, incomes, credit, and how these interrelate with the federal budget.

Tax Analysis Division:

The Tax Analysis Division has responsibility for estimating tax revenues, analyzing tax expenditures, and preparing relevant studies. It performs analysis on the U.S. tax structure and on proposed alterations to that structure, emphasizing economic impact, budgetary effects, efficiency, and distributional ramifications.

Natural Resources and Commerce Division:

The Natural Resources and Commerce Division analyzes budgetary issues involving energy, environment, science, agriculture, transportation, commerce, technology, and area and regional development. Its studies relate to alternative policy objectives, ways of achieving them, and resultant federal budget costs.

Human Resources and Community Development Division:

The Human Resources and Community Development Division analyzes budgetary issues in the areas of income assistance and social services, education, employment, training, Veteran's affairs, Community development and housing, health, and nutrition.

National Security and International Affairs Division:

The National Security and International Affairs Division prepares studies of budgetary issues related to national defense - involving military manpower, strategic forces, and general purpose forces - and international economic programs.

The next chapter looks at the prevailing criticism surrounding the CBO's handling of policy analysis responsibilities in support of Congressional oversight needs, in the several years immediately following its creation.

IV. REALIZED/UNREALIZED EXPECTATIONS: CONFLICTING VIEWS ON CBO'S PERFORMANCE

Chapter four attempts to assess the relative impact and effectiveness of CBO's contribution to the Congressional Budget process, based principally upon review of available archival evidence. In the course of providing a preliminary evaluation, it examines where CBO successes have occurred; reasons why it has not become as influential as perhaps its director, Dr. Rivlin, has hoped it would be; both early and more recent perceptions of areas where it has provided the most utility or made an impact; and comparatively which CBO activities have received substantial criticism. It empirically tests the typothesis that different role expectations compelled different assessments of CBO's performance.

Chapter five which follows, endeavors to refine and complete this evaluation or description of CBO's performance by integrating additional empirical data obtained through actual interviews of CBO and Congressional committee staff members regarding their viewpoints on the CBO's role in the budget process, specifically as it relates to the defense issue-area.

A. ORGANIZATIONAL DESIGN PROBLEMS

The professional background of CBO's key division heads and staff personnel consists mainly of expert economists recruited from the Office of Management and Budget, other

Executive Agencies, Brookings Institution, Rand Corp., and various universities. The inability or unwillingness of CBO's director, Dr. Rivlin, to fill a greater number of top staff positions with persons having experience in working with or for the Congress, had sparked early criticism from varied outside sources. The House Commission's evaluation of CBO's organizational effectiveness [Ref. 30: p. 8], reflected that Dr. Rivlin's staffing decision to opt generally in favor of hiring persons with high ability for policy analysis, versus Capitol Hill experience, probably presented an initial disadvantage in dealing with resistance from some Congressional committee staffers who may have resented any potential infringement upon their established turf.

Other critics believed that Dr. Rivlin's recruitment of staff persons who lacked experience either in Congressional relations or in budget matters essentially compounded a more basic organizational error - that of allocating a larger amount of resources to analyze policy and present alternatives, vice performing a costing and accounting function. Of the original seven functional divisions created to work on CBO's products, only two were designed to strictly account for budget numbers - the budget and tax analysis divisions. It became apparent, as progress on the fiscal 1976 budget continued in 1975, that Dr. Rivlin and her top assistants had misjudged the effort that would be required to accomplish what was initially perceived as a routine, secondary role of the CBO: estimating the costs of spending and revenue bills, and keeping score on the budget. [Ref. 31: p. 1431]

In an interview with Congressional Quarterly, Dr. Rivlin, admitted, "We underestimated the workload on bill costing." "We've been gradually shifting some people into the costing and numbers function, and we still need more people there." [Ref. 32] Constrained, however, by a 193-person ceiling (vice 259 asked for) imposed by the House Appropriations Committee on CBO's first budget request in December 1975, Dr. Rivlin had to juggle resources from within to accommodate the added influx of cost estimating demands. These were borrowed from the policy/program analysis divisions, causing rivalry and resentment among division staffs.

Some of CBO's critics responded, according to Smith [Ref. 31], by attributing the internal dissension associated with the shifting of analysts to Dr. Rivlin's organization plan which they believed to be basically flawed. They proposed that rather than having policy analysis separated from budget analysis and cost accounting, these jobs be combined and aligned to each functional category of the budget, similar to how the Office of Management and Budget functions. The same staff in OMB looks at both cost estimates for health programs, and long-range policy recommendations for such. Their justification for joining the two functions rests with the notion that a programmer doesn't really understand his objective unless he has current numbers at hand, and likewise, an estimator requires knowledge of policy implications to come up with the right numbers.

Dr. Rivlin defended her preference for separating these functions in that the structure made it possible to keep day-to-day cost estimating activities from interfering with long-range program analysis. She conceded, although, that this arrangement posed coordination difficulties and other disadvantages, intending to monitor the situation closely. The question remaining in early critic's minds, despite Dr. Rivlin's assurance that her system was workable, was whether the CBO would be able to meet its statutory obligations effectively under the existing organizational dilemma. The answer to this will be explored in the succeeding chapter, where an attempt will be made to reassess CBO's utility and effectiveness in light of more current evidence regarding the appropriateness of its staffing pattern.

B. DISSENSION REGARDING CBO'S ROLE

The aura of controversy and misgivings over whether the CBO should have become more involved with program/policy analysis has its roots in the debate surrounding the early drafting of the Budget Act itself. Both Havemann [Ref. 26: p. 1256] and Smith [Ref. 31: p. 1430] give comparable accounts of the difference of intent between the House and Senate draft versions relating to CBO's responsibilities. These basic differences, adopted from both writers, are summarized below.

The House version neglected the concept of a CBO altogether, and opted for establishing a joint staff supportive of both the new House and Senate Committees on the Budget. This

joint staff would do little more than prepare budget estimates. House members viewed the CBO (i.e., joint staff) from the stand-point of filling their own needs for a source of factual, straightforward economic and fiscal data to help them in drafting legislation on spending.

The Senate, however, viewed the process quite differently, seeking a CBO that could provide both expert figures on budget estimates and engage in policy analysis - research on the benefits and costs associated with alternative federal policies. Senate sponsors chose a "think tank" approach to the agency's functioning - one that agreed with their broader philosophical view toward spending and the setting of national priorities.

The issue was deferred to a conference committee session [Ref. 22], whereupon the House receded from its disagreement with the Senate, thus reaching a compromise solution in the form of the creation of a CBO with duties entailing both fiscal and program analysis. Hence, in its role as counselor to Congress, the CBO was charged with proposing alternatives to White House programs, as well as, being able to provide estimates and scorekeeping figures with regard to Congressional budget actions.

C. COMPARISON WITH OTHER CONGRESSIONAL STAFF AGENCIES

An issue which surfaced repeatedly during early Congressional Budget Office Oversight Hearings conducted by the Senate and House Budget Committees [Ref. 23], and [Ref. 29 and 33], respectively, concerned the potentially

inefficient duplication of effort among the Congressional Support Agencies. These consist of the Congressional Budget Office (CBO) - the newest member, the Congressional Research Service (CRS), the General Accounting Office (GAO), and the Office of Technology Assessment (OTA).

A cursory review of each agency's general mission statement, suggests a partial explanation for why these four "watchdogs" of Congress experience extreme difficulty in avoiding duplication of effort especially since there appears to be considerable leeway for overlap in their services. For example, the GAO has a mandate of being the government's auditor for ensuring Executive Branch compliance with Congressional spending decisions, as well as, overseeing the general operation of programs. The OTA is responsible for amassing scientific and engineering information and relating the plus and minus effects of technological applications to policy issues. The CRS is directed by the 1970 Legislative Reorganization Act to assist Congressional committees in evaluating the impact on legislative proposals within their jurisdiction. As part of the Library of Congress, it also is tasked with providing a ready reference service in responding to Congressional requests for information. Finally, the CBO is required to provide expertise on economic activity and advice on fiscal implications of Congressional spending actions - basically, to assist the Congress in implementing the budget process prescribed by the 1974 Budget Act.

More explicit definitions of the roles and functions of these agencies may be found in the statutes governing their establishment. These provide an initial layer of protection against duplication of functions. For instance, in the case of the CBO, there is no other agency responsible for providing cost estimates on pending legislation to the Congress, as required by sections 308 (a), 308 (b) and 403 of the Budget Act. A second measure of protection against duplication of effort is provided in section 201 (e) of the Budget Act which promulgates the nature of the exchange of information and resources among the four support agencies. In response to this legislation, each agency has accordingly prepared its own set of guiding instructions defining liaison responsibilities and appropriate arrangements to be followed with respect to cooperation and coordination with its three sister agencies. [Ref. 34: p. 70]

Despite these efforts at specifying roles and responsibilities, Ernest S. Griffith put forth in a study prepared for the Commission on the Operation of the Senate in 1976, that there are no areas of "exclusive jurisdiction" in the majority of services rendered by the agencies. [Ref. 35: p. 104] He further attributes confusion of agency clients to semantic differences, stating that, "There is ambiguity among the agencies in their definition of terms." "This contributes to the problems of misunderstanding of roles on the part of Congress, and of overlap." He proposed that the agencies clarify the distinction among the GAO's "audit," the CRS's "policy analysis," and the OTA's "assessment" responsibilities to temper the widened confusion.

Congressional oversight reaction to these concerns about wasteful duplication and confusing roles took the form of a mandate by the House and Senate Appropriations Committees in 1975, directing the four agencies to establish a research notification system designed to promote better coordination and awareness of each other's activities. [Ref. 33: Part II, p. 4] Cohen [Ref. 36: p. 1487] provides a brief description of the system. He writes, "A blue-covered manual is issued monthly with weekly updates, listing the output of all four agencies (projects in progress or completed within the previous six months). It is distributed only within the agencies themselves, the Appropriations Committees, the Senate Governmental Affairs Committee and the House Government Operations Committee. The confidentiality is deemed essential so that targets will not be tipped off that they are being investigated."

Cohen describes agency heads' and Congressional aides' attitudes, as a consequence of these safeguards, as believing that most problems with duplication have been eliminated. He writes that agencies still concede though to the frequent occurrence of overlap among their studies. They contend, however, that a certain amount of overlap can be valuable in terms of providing a different perspective and reasoning, and selection of information, behind their reports. Hence, they provide Congress the needed redundancy and range of collateral information with which to form their own opinions and conclusions about an issue. The benefits accruing from

different agency perspectives regarding complex problems are demonstrated in Cohen's example of the similar results of the agencies' assessment of President Carter's synthetic fuels proposal in 1979. [Ref. 36: p. 1484] He relates that Senate Budget Committee task force members agreed, "that even if the agencies reached similar conclusions from their different perspectives, the reinforcement would be useful to the task force."

D. VARYING ASSESSMENTS OF CBO'S IMAGE AND PERFORMANCE

Aside from the criticism regarding the CBO's divisional setup and internal staffing mix which heavily emphasized policy analysis vis-a-vis budget analysis, lack of Hill experience of CBO's analysts, and the potential for unnecessary duplication of effort already mentioned, Capron [Ref. 37: p. 84] notes yet another negative reaction toward CBO's early performance. This relates to the view that despite CBO's focus on objectivity and efforts to not play an advocate's role, it nonetheless had adopted a philosophical position favoring a liberal slant. Indeed, an early critic was described by Smith [Ref. 31: p. 1430] as having taken the position that the CBO erred in sticking to the Keynesian premise that, "increasing the federal budget deficit automatically stimulates the economy." In addition, writes Capron, some had suggested that the "CBO's purported objectivity is phony: in selecting alternatives and in describing them, it "loads the dice" so that its preferred position comes out as well-nigh inevitable."

Still another negative view of CBO's services was presented by Havemann [Ref. 26: p. 1259]. The CBO had been remiss in getting its studies out in time to be of any consequence. For example, he writes, "the CBO released their analysis of welfare reform on July 21, scarcely two weeks before President Carter announced his welfare proposals." He continues, "On other occasions, the CBO has analyzed issues in ways that Congress has not found useful." "A Senate Budget Committee staff member said a CBO analysis of higher education programs ignored benefits available under the GI bill and social security.

Still, Havemann concedes that despite these shortcomings, CBO's policy studies had generally received high praise from outside evaluators for their credibility and knowledgeable content. The only setback, he points out, was that the CBO had difficulty finding clients for its reports. This had been explicitly indicated by the House Budget Committee's reluctance to use CBO's analyses, particularly since it had never wanted the CBO to do policy analysis in the first place. The Senate also had shown some initial resistance.

On the other hand, there also existed a clearly different attitude towards CBO's value and potential role among many critics, regarding other aspects of CBO's efforts and energies. For example, Capron reports an almost unanimous agreement among his interviewees as to their impression of CBO's staff members being extremely competent and talented with much to offer, given the proper direction. [Ref. 37: p. 83]

Additonally, although with some exceptions, the CBO had been relatively successful in carrying out the budget analysis aspect of its mandate. That is, its cost estimates and scorekeeping records had met with widespread acceptance from Congressional committee staffs that used them.

The House Commission on Information and Facilities awarded high marks to CBO's budget estimates in its 1976 study. [Ref. 30: p. 20] The results of committee staff responses to its questionnaire were summarized by Havemann [Ref. 26: p. 1258], in the following manner. The ratios indicate favorable to neutral to negative comments:

1. Scorekeeping: 19 to 3 to 4.
2. Projections of spending and tax bills: 11 to 4 to 4.
3. Five-year projections of the entire budget: 10 to 9 to 5.
4. Accuracy of projections of authorizing bills: 14 to 3 to 2.
5. Timeliness of projections of authorizing bills: 16 to 2 to 1.

Havemann further reflects that the CBO's budget estimates have occasionally influenced the outcome of a particular debate. For example, he writes, "the House in 1976 considered a bill (HR 10760) that would have provided federal pensions for coal miners with 25 or 30 years in the mines. The Ford Administration, which opposed the bill, estimated its annual cost at $700 million. The CBO, on the other hand, estimated it at less than $200 million. The bill eventually cleared the House (but not the Senate)."

E. CONGRESSIONAL USE OF POLICY ANALYSIS

An interesting argument that can be introduced here is that the value associated with analyses that examine the uncertainties and complex issues that beset Congressional policy formulation, from different points of view, provides a subtle justification for the existence and usefulness of a policy-minded agency like the CBO. Griffith reinforce this notion in his assessment of the glowing evidence supporting the desire for high-level analysis within the Congressional membership and committee/subcommittee structure. [Ref. 35: pp. 96-97] He lists several indicators which express the heightened concern and awareness by Congressional members of the need for comprehensive policy analyses, "especially on problems which crosscut the fragmented committee/subcommittee structure." These are:

"1. The desire for parity with the Executive Branch and with the highly paid specialists representing the lobbyists or interest groups who seek or oppose given legislation.

2. The desire expressed by some committee members for a knowledge of alternatives to an existing policy, or at least as to other means of attaining the same objective.

3. The introduction of the "futurist" time dimension, or potential crisis identification in considering the decisions to be made today - i.e., foresight.

4. The American predilection - or genius - for the pragmatic, nonideological approach to problems which has cut across committee lines and even the jealousies of

jurisdictional prerogatives - the realization that complex problems require comprehensive analyses which pervade committee lines."

Thus, Griffith takes the view that the potential exists for Congressional support agencies like the CBO to make a useful contribution, in cooperation with committee staffs, as a source of competent information and policy analysis relating to major complex matters such as military and foreign policy issues.

Correspondingly, Norman Beckman points out that "Congress' impact on the Executive Branch and on all aspects of policy determination is pervasive and growing." [Ref. 38: p. 238] Daniel Dreyfus, a Senate committee staff member, further relates: "The Congress, itself, is primarily a policy analysis mechanism in the broad sense. The whole function of the legislature is to sense the needs of society for policy initiatives, to define and articulate the options, and to determine and assert the will of the collective social decision maker. This, after all, is everything that policy analysis can encompass." [Ref. 39]

The foregoing discussion is designed to convey the legitimate differences of opinion expressed by early recipients and observers of CBO's reports and services, regarding their usefulness in support of the Congressional budget process. The data presented clearly indicate that different perceptions of CBO's role was a major contributing factor for different interpretations of its value and effectiveness

in equipping Congress to exercise control over the budget process. Varied assessments of CBO's performance resulted from several factors: the role projected by CBO's formal mandate, as written in the 1974 Budget Act; the legislative history of that act related to initially opposing House and Senate versions of CBO's functions; and ultimately, diverse viewpoints of CBO's actual and potential role held by its Director and staff, committee staffs and Members of Congress, and outside critics.

It is expected that these initial perceptions of CBO's role and influence were just that - early observances. Both the CBO and its committee clients have had the opportunity over the last five years to develop stronger and clearer relationships, and to learn and improve over the mistakes and misunderstandings of the past.

The next chapter attempts to examine and report the current evidence that can support the view of such an improvement by the CBO in the relevance and usefulness of its studies, the disappearance of early resistance expressed by its clients, and the strengthening of both formal and informal relations between the committees and the CBO. The view that the CBO does now substantially contribute to the ability of Congress and its interacting parts to deal more effectively with complex policy options will be explored in depth.

V. NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION

The data presented in chapter four illustrate the many different conclusions that have been formed about CBO's performance. In addition, they have demonstrated that, different assumptions and perceptions of the role that the CBO was to play led to different perceptions of how well they did perform. What follows is an empirical look at CBO's impact on the defense policy process.

Through the use of a series of propositions describing the process model for CBO-Congressional interaction, the remainder of this research attempts to integrate archival and interview data, in order to assess the CBO's effectiveness in defense policy-making. Although the basis for confirming (or refuting) the majority of these propositions relies heavily on archival data, the results of interviews with select CBO staff and Congressional committee staffs will serve to validate some of the contentions made. The questions that guided these interviews and a listing of staff offices contacted are provided in Appendixes D through F.

A. ENHANCED INFORMATION SEARCH AND POLICY APPRAISAL

CBO HAS PROVIDED CONGRESS WITH AN ALTERNATIVE SOURCE OF INFORMATION AND POLICY ANALYSIS ON DEFENSE ISSUES.

A1. Congress no longer relies heavily on the Executive Branch as a sole source of defense policy information. Created by the 1974 Congressional Budget Act to provide the Congress

with independent, nonpartisan, and objective analysis of budgetary data and policy alternatives, there is a consensus of agreement among several writers, (supporters and critics alike) that the CBO has done a commendable job of providing Congress with its own source of federal budget information (see Havemann, 1977; Capron, 1976; Cohen, 1980). Both Laurance (1976) and Haass (1979) similarly contend and provide evidence that Congress has undergone a series of legal and structural changes which have transformed its defense policy-making process. Associated with this transformation is the quest for and receipt of more information. When asked, "What is the most important or useful contribution that CBO's studies have made to the defense budget process," the committee staffs responded that CBO has resulted in: "More data being available to assist Congress in making more informed decisions."

A2. The CBO has enabled the Congress to reassert its influential budgetary position along side that of the Executive Branch in the defense policy-making process. Through consideration and use of the policy analyses conducted by the CBO, Congress is more capable than before of challenging the Executive Branch on specific defense programs. The 1974 Budget Act, "created a rudimentary systems analysis capability, as the CBO staff is capable of producing life-cycle costs of alternative weapon systems and force postures" (Haass, 1979: 158-59). The CBO, as an additional input source, has aided the Congress in its more intense scrutiny

and evaluation of Administration/DOD proposals and policy options. It has provided this service primarily through its thorough, objective analysis of executive recommendations for the defense budget (Interview with CBO staff).

A3. The increased use of the CBO has enhanced the Congressional defense budgeting process vis-a-vis the emergence and increased consideration of non-DOD policy options in debate over national defense priorities. This proposition is supported in part by evidence denoting the number, requester, and typology of CBO defense-related studies (see TABLE 1). In addition, the CBO along with other Congressional support agencies and committee staffs have eliminated the information gap basic to executive dominance in military issues, and extended Congress' capability to examine Administration initiated proposals and come up with some of its own (see Haass, 1979: 151, 159).

A4. Congress no longer endorses a blank check (i.e., "rubber-stamps") for the defense establishment, but rather, has emerged from its previous reticence with a pronounced capacity for defining and articulating defense policy alternatives. Put another way, the CBO has enhanced the depth and quality of Congress' information search and policy appraisal through an increased analytical capacity to define and assess policy options and delineate the consequences of these choices. The CBO can provide analyses of policy alternatives with respect to budgetary implications. For example, their February 1980 paper on the "Costs of the Trident Submarine and Missile Programs and Alternatives,"

prepared at the request of the Subcommittee on Research and Development of the Senate Armed Services Committee, assesses the long-term costs and other factors associated with variously configured sea-based strategic forces. Specifically, it compares the Trident submarine fleet to other possible submarine/missile combinations and assesses how each of these choices would affect the costs of developing, building, and maintaining forces of equal effectiveness. It also addresses the question of force survivability and analyzes the implications of various assumptions regarding survivability at sea for possible changes in the relative cost-effectiveness of the force options considered. Another example of the broad perspective and competent analytical insight of CBO's studies is its January 1980 paper on "Shaping the General Purpose Navy of the Eighties." Prepared at the request of the Senate Budget Committee, this paper focuses on the "High/Low Mix" dilemma of choosing between a small number of highly capable, but expensive warships versus a large number of relatively less capable, but less expensive warships. It looks at this trade-off between "quality" and "quantity" in view of the possible mission orientations the Navy might adopt, and presents life-cycle costs and cost-effectiveness comparisons for naval force options for fiscal years 1981-1985. Hence, these data indicate that CBO papers have provided Congress with the kinds of information necessary to make informed judgments and develop cogent viewpoints on complex and important defense issues.

A5. The amount of defense policy-related information presented to the defense committees by the CBO's National Security Division has increased over the period 1976-1981. The defense committees have increasingly availed themselves of CBO as an important source of defense policy information. TABLE 1 presents a listing and typology of defense-related reports issued by the NSIAD. The data under the "Requester" column indicate that although the House and Senate Budget Committees remain the primary requesters of CBO defense studies, an increasing number of formal requests have originated from the House and Senate Armed Services Committees during the 1980-1981 period, followed by the Appropriations Subcommittees on Defense. This recent trend was corroborated in an interview with the NSIAD staff who generalized that the highest proportion of interaction is with the Armed Services Committee staff, followed by the Defense Appropriations Subcommittees (in particular the House, although not by its decision, but rather, directed by its traditional initiation of the appropriations process), then the Budget Committees. It is important to note that a lot of this interaction involves ad hoc or informal queries as an adjunct to formal requests.

A6. Participation of National Security Division analysts and other high CBO officials in testimony regarding defense policy issues has obviated previous defense committees' sole reliance on executive witnesses during hearings. Figure 3 provides an inventory of NSIAD staff member's testimony before Congressional committees, as an indicator of CBO involvement in the defense legislative process. It should

TABLE 1-TYPOLOGY OF DEFENSE-RELATED REPORTS ISSUED BY THE NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION

Subject Area	Requester	Structural/Fiscal	Strategic/Programmatic
(1976) Defense Posture Statements	---- *		X
U.S. Naval Force Alternatives	HBC/SBC		X
Defense Manpower Compensation	HBC/SBC	X	
U.S. Tactical Air Forces	HBC/SBC		X
Foreign Military Sales	HBC/SBC	X	
Budgetary Cost Savings From Foreign Military Sales	HASC	X	
SALT & U.S. Strategic Forces Budget	----		X
U.S. Army Force Design Alternatives	HASC		X
General Purpose Forces- Navy	SBC		X

*The notation "----" means that no determination could be made as to a requester, and that the study probably resulted from a combination of requests or as a follow-on to testimony or an earlier report.

Subject Area	Requester	Structural/Fiscal	Strategic/Programmatic
General Purpose Forces- Army Procurement Issues (1977)	SBC		X
General Purpose Forces- Tactical Air Forces	SBC		X
General Purpose Forces- Theater Nuclear Forces	SBC		X
General Purpose Forces- Overview	SBC		X
The Costs of Defense Manpower	----	X	
U.S. Strategic Nuclear Forces	----		X
Acute-Care Bed Needs of VA Hospitals	HBC	X	
Retirement Accounting Changes	HBC	X	
General Purpose Forces- Forces Related to Asia	SBC		X
U.S. Sea Control Mission	Chmn., SBC		X

Subject Area	Requester	Structural/Fiscal	Strategic/Programmatic
Defense Operating Costs	Chmn., SAC	X	
NATO/Warsaw Pact Military Balances	SBC		X
(1978) Counterforce Issues For U.S. Strategic Nuclear Forces	SBC		X
Military Retirement System	----	X	
U.S. Air/Ground Conventional Forces For NATO: Overview	SBC		X
Readiness of Army Reserve & National Guard	SBC		X
U.S. Air/Ground Conventional Forces For NATO: Mobility & Logistics Issues	SBC		X
U.S. Air/Ground Conventional Forces For NATO: Air Defense Issues	SBC		X
U.S. Air/Ground Conventional Forces For NATO: Firepower Issues	SBC		X

Subject Area	Requester	Structural/Fiscal	Strategic/Programmatic
(1978) National Service Programs & Effects On Military Manpower	Chmn., M&P Subc., SASC	X	
U.S. Projection Forces	SBC		X
Force Planning & Budgetary Implications of U.S. Withdrawal from Korea	HBC		X
Retaliatory Issues For U.S. Strategic Nuclear Forces	SBC		X
U.S. Strategic Nuclear Forces For The 1980s	SBC		X
Military Retirement Accounting Changes	NSTF[1], HBC	X	
Veterans' Educational Benefits	HCE&L[2]	X	
Selective Service System	HASC	X	
U.S. Naval Forces: Peacetime Presence Mission	SBC & SFRC		X

Subject Area	Requester	Structural/Fiscal	Strategic/Programmatic
(1979)			
Strengthening NATO: POMCUS & Other Approaches	SBC		X
Navy Budget Issues For FY 80	SBC & SFRC		X
U.S. Airlift Forces: Enhancement Alternatives	SBC		X
MX Missile & Multiple Protective Structure Basing	SBC		X
SALT II & Costs of Modernizing U.S. Strategic Forces	SBC & SFRC		X
(1980)			
Shaping The General Purpose Navy of The 80s	SBC		X
U.S. Sea-Based Strategic Forces	SASC		X
Marine Corps In The 1980s	SASC		X
Costs of Manning The Active Duty Military	HBC/SBC	X	

Subject Area	Requester	Structural/Fiscal	Strategic/Programmatic
(1980) U.S. Ground Forces: Design & Cost Alternatives	SBC		X
(1981) Resources For Defense: A Review of Key Issues	HBC		X
Analysis of The Military Survivor Benefit Plan	M&P Subc., SASC; HASC	X	
Naval Surface Combatants In The 1980s: Prospects & Possibilities	HASC		X

Source: Compiled from Congressional Information Service, Inc. prints CBO Publications.

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[1]NSTF: National Security Task Force

[2]HCE&L: House Committee on Education and Labor

SUMMARY STATISTICS ON TYPOLOGY OF CBO REPORTS

1. Structural[1] 14 or 28.0% of total reports.

2. Strategic[2] 36 or 72.0% of total reports.

3. Within Strategic Issues:

   a. Percentage of CBO reports mainly concerned with waste[3] and logrolling[4] 0.0%

   b. Percentage of CBO reports mainly concerned with Foreign Policy Goals[5] 72.0%

4. Within Both Structural and Strategic Issues:

   a. Percentage of CBO reports acting as a conduit for defense programs (i.e., rubber-stamping) 0.0%

   b. Percentage of CBO reports reflecting development and appraisal of policy options 84.0%

[1] Structural - refers to defense policy decisions which deal with the fiscal content of a program in terms of financial, personnel, material, and organizational factors. Budget focus is on questions of process (management, economy, and efficiency).

[2] Strategic - refers to defense policy decisions which deal with the relative impact (cause and effect) of programs or projects on national defense, corresponding to alternative policy choices. Budget focus is on programmatic impact on achievement of specific national security and foreign policy objectives.

[3] Waste - spending inefficiencies.

[4]Logrolling - mutual aid among policy advocates, as by reciprocal support for specific programs. The absence of such in CBO's reports reinforces the apolitical, non-partisan policy outlook which is CBO's mandate.

[5]Foreign Policy Goals - detente, peace, security, alliances, arms control. These goals/objectives relate to current U.S. military missions, the perceived threat, allied capabilities and assistance, and the implications of this for U.S. force structuring.

Examples:

1. Structural (fiscal): CBO's papers on Foreign Military Sales focus mainly on the economic consequences of foreign sales, particularly their secondary effects in reducing U.S. weapons costs and requirements (i.e., financial and material factors).

2. Strategic (programmatic): CBO's papers on the U.S. Navy or strategic versus conventional weapons give the force options that policymakers can choose from, assumptions and supportive arguments for each in relation to national security objectives, and the estimated cost for each option or mix (i.e., budgetary implications).

Defense-Related Reports:
Breakdown By Requester

HBC	SBC	HAC	SAC	HASC	SASC	OTHER*
10	30	0	1	5	3	4

*Includes 3 concurrent requests by the SFRC/SBC.

Date	Committee and Purpose	Witness(es)
2/18/76	Senate Budget Committee FY 1977 Defense Budget	Alice Rivlin John Koehler, NSIA Gary Nelson, " Robert Hale, "
10/5/77	House Armed Service Committee Military Retirement Accounting	Robert Hale
7/12/77	House Budget Committee Manpower Costs, All-Volunteer Force	Robert Hale
2/17/78	House Armed Services Committee Reserve Readiness	Robert Hale
2/15/79	House Armed Services Committee Selective Service	Dan Huck
4/2/80	Senate Armed Services Committee Trident Programs	David S.C. Chu Richard Davison
3/12/81	House Budget Committee Manpower Issues	Robert Hale Joel Slackman
5/7/81	Senate Armed Services Committee Military Pay	Robert Hale John Enns Joel Slackman

Figure 3: Testimony of NSIAD Staff to Congressional Committee

Source: Congressional Budget Office

be noted that the majority of testimony was before the Armed Services Committees, lending support to proposition A5. concerning the increase in NSIAD-defense committee relations.

A7. CBO (specifically, NSIAD) has been appropriately staffed to effectively accomplish its missions as mandated by the Congressional Budget Act of 1974. If this were to be true, then one would expect to find an educational/experience profile of the following composition: 1) a high proportion of staff members holding graduate degrees; 2) a balanced composition of staff having experience in defense and other relevant areas such as, economics, foreign and public policy analysis, government, etc.. Figure 4 depicts the educational and career backgrounds of the NSIAD's professional staff as of August 13, 1981. These data are certainly consistent with the expectation of a well-educated, high calibre staff that is knowledgeable and experienced in defense affairs. Capron's 1976 study of the CBO reveals a similar educational composite and draws the same conclusion regarding the high quality of CBO's (including NSIAD's) staff members. Concurrent reactions to CBO's staff were expressed by committee staff members during interviews with this researcher. There was complete agreement that the CBO staff members involved in defense issues are of high calibre. Comments regarding NSIAD's staffing pattern were all favorable, in terms of its adequacy to meet the defense policy analysis needs of the committees. A House Budget Committee staff member suggested, however, that a reallocation of some personnel from the NSIAD to the CBO's Budget

I. EDUCATIONAL BACKGROUNDS

BA/BS	Masters	Ph.D.	J.D.	Other
3	6	5	0	0

II. CAREER/DISCIPLINARY BACKGROUNDS

Defense	Other
6	8

Figure 4: National Security Division Professional Staff (As of August 13, 1981)

Source: Congressional Budget Office

PROCEDURES FOR DIFFERENT CATEGORIES OF CBO PAPERS

Category	Requestor	Internal Review	External Review	Fact Check	Clearance	Edit	Publish
CBO Report	Mandated by legislation[a]	Yes	Yes	Yes	Director	Yes	Yes
CBO Study[b]	Congressional committee[c]	Yes	Yes	Yes	Director	Yes	Yes
Staff Working Paper Published	Congressional committee[c]	Yes	Varies	Yes	Director	If Possible	Yes
Unpublished[d]	Congressional committee[c]	Varies	Varies	Yes	AD	If Possible	No
Special Study[e]	Congressional committee[c]	Varies	Varies	Yes	Director, if publish	If Publish	Varies

a. Mandated by the Congressional Budget Act of 1974 (for example, the five-year budget projections report and the economic reports) or by other legislation (for example, Guidelines for a Study of Highway Cost Allocation).

b. Replaces the former categories of Budget Issue Paper and Background Paper.

c. Requestor must be the chairman of a full committee or a subcommittee or the ranking minority member of a full committee.

d. Replaces the former category of Staff Draft Analysis.

e. A catch-all category to accommodate such things as conference proceedings and technical papers.

Figure 5: Quality Control Process governing the preparation, review, and release of CBO reports.

Source: Congressional Budget Office

Analysis Division may be appropriate. This reflects not only the HBC's focus on budget estimates, but also the House's earlier views on what role the CBO should play.[1]

B. POTENTIAL UTILITY PROFFERED BY NSIAD STUDIES

THE CBO HAS PROVIDED CONGRESS WITH ADEQUATE ANALYTICAL INDEPENDENCE FROM THE EXECUTIVE BRANCH AND HAS INFLUENCED SPECIFIC AND CONTROVERSIAL DEFENSE ISSUES.

B1. The NSIAD's policy analyses enable the Congress to process its own technological, fiscal, and programmatic information independent of the Executive Branch, in developing policy alternatives and assessing the broad strategic, political, and economic implications which these present. Support for this proposition is evident in the content analysis of various published CBO budget issue papers and background studies, as previously characterized in proposition A4. "CBO's papers on the United States Navy or strategic arms have indicated the kinds of forces the country can choose, the arguments on behalf of each, and what each option or mix would cost" (Haass, 1979: 151). TABLE 1 illustrates the range and variety of defense topics in which the NSIAD staff is engaged. Not included are the ad hoc or informal studies conducted by the staff in response to committee staffs and members.

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[1]The House's initial version of the 1974 Budget Reform Act did not provide for a CBO at all, and instead established a joint staff for the House and Senate Budget Committees that would do little more than prepare budget estimates.

B2. CBO's and DOD's defense analyses are qualitatively different; that is, the CBO doesn't reproduce DOD defense analysis, but rather compiles defense data for its unbiased analyses. An interview with the NSIAD staff exposed the following techniques or methodologies used in developing costing/outlay estimates for different types of defense programs.

1) NSIAD's analyses are basically a critical review of the services' or DOD's estimates (i.e., CBO can't unilaterally determine the cost of, say, the MX-missile).. In terms of independent analysis, it looks at historical cost data of similar weapons systems; it looks at inflation figures; sees if the Administration's data make sense, its estimates are reasonable, and raises pertinent questions. In areas such as manpower, however, CBO prepares independent costing estimates based on available retention behavior and payroll data.

2) Services and OSD are key sources of all the information used to derive such estimates. Much of this information is provided in the form of Congressional data sheets (which document spending levels over 5-year periods), and Systems Acquisition Reports (SARs). The Defense Manpower Data Center is another supplier of information. Ad hoc questions from Members or committees of Congress are deferred to the services or OSD.

3) With respect to verification of the information obtained from a particular source, the CBO is heavily dependent on the basic honesty of the services or OSD. Nonetheless, it can look at external consistencies such as, costs of other weapons, missiles, or price per pound figures. It can look at internal consistencies such as, inflation estimates used in other programs, and insure that all costs are considered, (e.g., basing, manpower, peripheral weapons systems, maintenance).

B3. CBO has succeeded in directing Congress' attention to Defense/Non-Defense trade-offs in deciding among alternative policy choices. When asked to rank three distinct areas of CBO's influence, from most value to lease value with respect to defense policy-making, the responses from interviews generally reflected the following order of importance:

1) CBO's estimates of the budgetary ramifications of defense policy alternatives (e.g., cost estimates and multiyear outlay projections).

2) CBO's assessment of Defense/Non-Defense trade-offs (e.g., Is a cut in defense spending much too high a price to pay for a national health insurance plan?)

3) CBO's analysis of the pros and cons of policy alternatives.

These results must be qualified, however, in terms of the budgetary orientation of the respondents. For example, staffers from the Budget Committees and the House Defense Appropriations Subcommittee gave CBO's cost estimates most value, reflecting their budget aggregate, cost-cutting focus. Whereas, a House Armed Services Committee staffer regarded CBO's cost/benefit analysis of alternatives of most value, reflecting their policy/programmatic perspective. The data allow one to conclude that despite its secondary position to cost estimating activities, CBO's analyses of Defense/Non-Defense trade-offs merit some consideration and value among committees. One must temper this view, however, with the realization that only the budget committees have a mandate to address Defense/Non-Defense trade-offs.

B4. NSIAD's studies have had a measurable impact on, and have been RELEVANT to issues of specific Congressional interest regarding defense policy. In his 1977 National Journal article, Havemann wrote, "Making an impact on the policy-making machinery of Congress has proved more difficult for the CBO than producing high-grade work." Evidence suggesting that CBO's influence has not been that negligible was uncovered however, during this researcher's interviews with NSIAD and House Armed Services Committee staff members. Response from the NSIAD staff was cautiously optimistic toward the usefulness of its studies, professing that in many limited ways CBO's analyses have caught the attention of Congressional committees and influenced their actions. It was accepted that CBO is one of many input sources into the decision-making process, and it would be unlikely that the CBO could affect a major proposal like the B-1 Bomber, for instance. On the other hand, it is more easily seen where CBO's studies have influenced committee staff proposals on pay options. Hence, the NSIAD staff felt that their studies have had greater impact on more limited legislation by fostering debate on some specific Congressional action. Three examples cited are:

1) Military Survivor Benefits available through the retirement system. CBO played an important role by supplying a good deal of analysis.

2) CBO showed a need in pursuing a mix of conventional and nuclear submarines. This notion was picked up during debate by the Senate Armed Services Committee, wherefore the Navy is now required to respond.

3) Two years ago, CBO's studies influenced the "High-Three" debate over major retirement pay increases. The high-three averaging formula bases military retirement pay on pay of the last three years, or average pay over the highest three years of active service. Congress passed this law last year, affecting new accessions on or after September 8, 1980.

B5. The CBO has gotten involved in CONTROVERSIAL or "messy" issues involving defense policy. Contrary to the viewpoint expressed in B4. above, a staff member from the Personnel and Compensation Subcommittee of the House Armed Services Committee, took a more positive outlook in supporting the notion that CBO has in fact changed the outcomes of big issues. His view is based upon the distinction between what constitutes a big issue as opposed to a small issue. For example, a major pay issue is the concept of targeting pay raises to solve the problem of skill specialty shortages. A minor issue is whether aviation crew incentive pay should be increased by 20 per cent. Given this perspective, he regarded the recent discussions on the annual military pay raise as a major issue. He felt there was a high degree of correlation between what the CBO stated in their study and what his committee recommended for a pay increase, surrounding the issue on retention of the All Volunteer Force. Yet another, totally contradictory position was taken by a Senate Budget Committee staffer, who related that CBO's policy analyses have not had a major impact on defense issues considered by that committee. A larger impact is made by the Administration, Secretary of Defense, Service Secretaries,

or Senators from states affected by a decision. CBO's policy studies are influential if they confirm a Senator's report, or present outlay projections that differ significantly from DOD's estimates. Consequently, a view reiterated by a House Defense Appropriations Subcommittee staffer, was that CBO's Budget Analysis Division has more of an impact because it deals with budget numbers. It appears then, from this and the position taken in B4., that the determination of whether the CBO has affected the outcomes of big or controversial issues, depends upon whose definition and perspective one chooses to observe. In a practical sense, one can only conclude from the above data that assessment of the true level of CBO's policy impact is inherently difficult; however, at this point it is quite safe to say that CBO's analyses have certainly made a difference in affecting the outcomes in several limited and specific policy areas.

C. IMPACT ON SYSTEMIC CHARACTER OF THE CONGRESSIONAL DEFENSE POLICY SYSTEM

CBO'S ANALYSES HAVE HAD A SIGNIFICANT EFFECT ON THE SYSTEMIC CHARACTER OF THE CONGRESSIONAL DEFENSE DECISION-MAKING PROCESS.

C1. CBO's policy analyses are a prime factor in Congress reversing its principal defense outlook from concentrating on domestic or "structural" issues (e.g., cost-benefit relationships), toward emphasis on broad "strategic" issues (e.g., programmatic choices). Summary statistics on the typology of CBO defense reports are provided at the end of TABLE 1. The concepts of "structural" and "strategic" are

clearly defined and examples of each are provided. The data indicate that CBO's defense analyses have given more attention to defining programmatic choices and their associated budgetary impact, as opposed to focusing entirely on strictly fiscal or financial, cost-cutting factors. Thus, CBO's studies have concentrated not so much on waste or spending inefficiencies, but rather on the range of military force-structuring options consistent with stated foreign policy goals and objectives. To the extent that these studies are increasingly used and cited in debate, the CBO has implicitly changed the defense policy outlook previously exhibited by the Congress.

C2. The use of CBO's defense studies has shifted from primarily the Budget Committees to the military committees. This proposition was supported by a Senate Budget Committee staff member who related that at first the committee requested a lot of policy analysis from CBO, but that the tendency now is to rely on the GAO (General Accounting Office) for their budget numbers and cost-cutting reports. The Senate Budget Committee may ask for three or four policy studies a year, but is constantly asking for budget numbers on a daily basis. This trend was also confirmed by CBO's NSIAD staff who ranked CBO's usage among the various military committees proportionally higher than the Budget Committees.

C3. The use of CBO's information and studies by committees is generally uniform throughout the year. However, most work is directed towards the budget timetable.

The general reaction among interviewees was that CBO-committee staff interaction basically followed a cyclical pattern which closely paralleled periods of fluctuating Congressional activity/inactivity. For example, the frequency of staff interaction is heaviest in the Spring (Feb.-Mar.), gradually subsiding throughout a six month period preceding committee markups. Interaction tapers off near the end of Summer, and reaches a minimal level during Nov.-Jan. when Congress is not in session. While this pattern is suggestive of close ties to the Congressional budget calendar, it also conforms to the flexibility enjoyed by the Armed Services Committees in acting on legislation throughout the year. Interview responses also suggest that the committees and CBO share similar views on the budget process. The timing of CBO's studies is matched to deadlines for consideration of budget legislation by Congress.

C4. Committee views on their use of CBO's analyses are balanced between that of an extension of their own staff, or as just one of the service agency resources they can use. Whereas a dichotomy in House and Senate committee views was readily apparent in the early years following CBO's creation, i.e., the Senate looked upon the CBO as an extension of its own Staff; the House perceived it as just another service agency (see Gregg, 1974: 2654), this division is now certainly less distinct. Response from interviews conducted with committee staffs clearly indicates a more balanced attitude towards the extent of CBO-committee ties.

C5. CBO's studies have most importantly contributed to the defense budget process by having more data available to assist Congress in making more informed decisions. Given that more data is available (see propositions A and B), it has had the following effect on the system. More budget alternatives have changed Congressional behavior on defense issues by providing the opportunity to consider policy options in a more rational manner. This reaction was common to all staff members interviewed and was ranked first, followed closely by: "more alternatives are made available to Congress," and "budget decisions are made through a more rational process," in that order.

C6. CBO does not generally duplicate the work of other Congressional Support Agencies and where subject overlap has occurred, the results have materially benefited the defense budget process. The CBO is one of four staff agencies providing a range of information inputs designed to enable Congress to break away from executive dominance in policy formulation and program oversight. To the extent that CBO's projects overlap with those of its sister agencies, the leaders of these agencies maintain that direct benefits accrue from some redundancy. Among these are that collateral sources of information fosters security, more studies increases the chances of analysis matching a given opinion, and conflicting or incomplete views may heighten understanding of an issue's complexity (see Cohen, 1979: 1484).

C7. CBO has had relatively more potential influence over defense than any other issue. Support for this proposition stems partially from the fact that defense expenditures are part of the 25 to 30 percent of the federal budget that Congress exercises relative control over (see chapter two, section A). Congress is apt to exert its budget influence over "controllable" issues in the defense area, rather than intervene legislatively over "uncontrollable" issues such as, mandatory entitlements. Thus, CBO's potential impact is likely to conform to this focus. Furthermore, Congress has significantly increased its scrutiny and influence over the defense budgeting process to where it now must approve or authorize nearly three-fourths of all defense requests. This includes weapons systems R&D and procurement, military construction, O&M funds, and conceivably military pay and personnel at a later date (see Laurance, 1976: 219 and Haass, 1979: 158). Congressional committee requests for CBO policy studies on defense can be correlated to this effort to increase Congress' capacity to affect defense budgets. TABLES 2, 3, and 4 provide a comparative analysis of CBO's potential policy impact or influence in terms of a breakdown by year, category, and number of reports it has published. This review encompasses some 258 unclassified reports issued by CBO from 1975 to 1981. Relationships are drawn between the number of

TABLE 2-COMPARATIVE ANALYSIS OF CBO'S POLICY IMPACT/INFLUENCE: MAJOR POLICY AREAS

	Area	No. of Reports Published (Unclassified)						
I.	Domestic Policy (natural resources, labor, transportation, agriculture, taxes, energy, etc.)	6	25	59	33	31	31	11
II.	Foreign Policy		1					
III.	Defense Policy (incl. foreign military sales)		11	11	16	5	5	3
IV.	Treaties, general foreign relations, foreign aid (incl. International Monetary Fund)			3	1	1	1	
	Year:	1975	1976	1977	1978	1979	1980	1981

Source: Compiled from Congressional Information Service, Inc. abstracts of congressional publications and legislative histories, 1975-1981.

TABLE 3-COMPARATIVE ANALYSIS OF CBO'S POLICY IMPACT/INFLUENCE: BREAKDOWN OF DOMESTIC POLICY AREA

Function	No. of CBO Published Reports (Unclassified)						
Health (incl. health insurance)		1	6	1	6	2	2
Criminal Justice (law enforcement)			1	1	1		
Education (student loans)	1		3	2		3	
Social Welfare (unemployment compensations, food stamps, social security)	1	2	8	3	1		1
Transportation (railroad, inland waterways, urban)		2	3	3	3	3	
Communications (postal)		1					
Agriculture, Forestry		2	2	2	1	4	1
Commerce, Trade (Export-Import, Bank, balance of payments)		1	3	2	3	1	
Fuels, Natural Resources, Energy		7	4	2	6	4	1
Federal/Public Employment (personnel, pay, training, unemployment)	3	5	10	4	1	4	

Function	No. of CBO Published Reports (Unclassified)						
Urban/Rural Community Development (housing, home ownership)		1	4	2	1	1	
Economy, Monetary & Fiscal Policy (inflation, productivity, federal budget projections)	2	6	19	13	10	12	6
Total:	7	28	63	35	33	34	11
Defense (as a percent of total reports)	0%	40%	17.5%	45.7%	15.2%	14.7%	27.3%
Year:	1975	1976	1977	1978	1979	1980	1981

Source: Compiled from Congressional Information Service abstracts, 1975-1981.

TABLE 4-COMPARATIVE BUDGETS AND CBO REPORT EMPHASIS

(In Billions of Dollars)

Function	FY: 1976		1977		1978		1979		1980		1981	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Income Security	42.5	137.5	43.9	155.9	44.9	178.6	44.0	190.9	42.8	218.5	45.3	248.8
Agriculture	1.3	4.1	0.6	2.1	.53	2.1	1.7	7.2	.98	5.0	.98	5.35
Transportation & Commerce	5.9	19.0	4.8	17.2	5.1	20.4	5.8	25.2	5.2	26.3	4.8	26.55
Housing & Urban Development	2.9	9.5	2.7	9.55	2.1	8.2	1.8	7.7	1.7	8.9	1.7	9.25
Health	10.4	33.6	11.4	40.5	12.0	47.7	12.1	52.6	11.5	58.8	12.5	68.55
Natural Resources & Energy	5.8	18.7	5.1	18.2	6.2	24.6	5.1	22.2	10.2	52.1	3.2	17.75
National Defense	31.2	101.0	31.5	112.1	29.3	116.4	29.6	128.4	27.6	141.2	31.5	172.7
Total:	100.0	323.4	100.0	355.55	100.0	398.0	100.0	434.2	100.0	510.8	100.0	548.95

Impact: There is a positive correlation between the percentage of CBO reports on defense issues (TABLE 3) and the percentage of the federal budget which defense occupies. The defense budget takes up a large portion of the federal budget compared to other functions. Similarly, CBO defense-related reports constitute a larger proportion of total reports than any other single issue. This generally correlated pattern has one exception, that is, the high percentage of federal dollars spent on income security (i.e., social welfare) versus a low percentage of CBO reports on this issue. This observation is suggestive of and reinforces the premise that CBO has had relatively more potential influence over defense than any other issue.

Source: Compiled from Congressional Quarterly Almanac: Budget Authority for FY 76-81.

CBO's defense-related studies and reports in other major policy areas (TABLE 2), defense-related versus domestic policy reports (TABLE 3), and finally, comparative budgets and CBO report emphasis (TABLE 4). There is a positive correlation between the percentage of CBO reports on defense issues (TABLE 3) and the percentage of the federal budget which defense occupies. Similarly, CBO defense-related reports constitute a larger proportion of total reports than any other single issue.

Summary: The three sets of propositions (A,B, and C) enumerated above, define the process model for CBO-committee relations and address both the actual and potential impact of CBO's policy studies on the Congressional defense decision-making system. Specifically, with respect to the attempt to confirm the hypothesis that, "CBO's analyses have substantially influenced the Congressional decision-making process regarding defense policy issues," it would be very difficult to conclude objectively whether a significant level of policy impact has occurred. Sufficient evidence exists, however, that indicates a definite growth in CBO's influence. This upward trend is observed with respect to some particular defense issues such as, manpower and compensation and more frequent staff contacts, better relationships, and increased use of CBO's studies by the military committees. In relation to the hypothesis that, "CBO has had more impact on defense issues than on any other issues involving Congressional policy debate," analysis of data available

permitted only limited progress in achieving a rigorous test of this claim. The data show a greater number of defense reports issued compared to domestic policy studies, and reveal a direct relationship between the high level of defense spending and a corresponding level of CBO defense studies. However, further analysis is necessary to assess the relative impact on outcomes between defense and domestic issues that CBO's analyses have had.

Chapter six places the foregoing analysis of chapters two through five into thorough perspective by presenting a summary of principal findings and conclusions.

VI. SUMMARY AND CONCLUSIONS

A. RESTATEMENT OF THE PROBLEM

This research was directed principally towards an assessment of the relative impact which CBO's policy analyses have had on the Congressional defense decision-making process. Concurrent with this effort was the need to clarify the underlying basis for the legitimate differences in viewpoint regarding CBO's performance and effectiveness among early internal and external observers of CBO's activities. The emphasis of this investigation has been to develop insights and perceptions surrounding CBO-Committee interrelations, in order to achieve a heightened understanding of the importance of CBO's role and client relationships. In this manner, inferences were able to be drawn regarding CBO's contribution toward eliminating some of the structural and procedural deficiencies associated with the traditional legislative budgetary machinery.

A new organization for a new procedure, the CBO was created to assist Congress in understanding the budget and implications of budget decisions, so that it could make better decisions. How well it has performed its mandate, particularly related to its impact in the defense policy area, has been the focus of this thesis. A brief summary of the analysis contained in the preceding chapters, and an enumeration of principal findings follows.

B. PRINCIPAL FINDINGS AND CONCLUSIONS

The need for the creation of a CBO grew fundamentally out of two equally transcending changes in the Congressional policy-making system related to control over the federal budget and national priorities. The first, largely in relation to government spending and fiscal policy objectives, had to do with executive-legislative conflict which escalated to the point where Congress needed to react to what appeared to be a usurpation of its budget prerogatives by the presidency. The second relates to the defense policy process wherein the need for a CBO was based on changes in the Congressional defense policy system which occurred in the late 60's - early 70's. The demand for more technical analysis and information independent of the executive arising out of complex issues such as the ABM debate, legitimized the need for a mechanism (in the form of a CBO) that would expand the limited sources of specialized, technical expertise and budget-related data available to the Congress.

Hence, the CBO emerged out of a general mood that was ripe for instituting budget reform. Given this potential for having an impact on the policy-making process of Congress, a closer look was necessary to determine how CBO's policy analyses were actually used.

In assessing whether the CBO has played a significant role in strengthening Congressional involvement in defense policy matters, a range of organizational dimensions relevant

to appraising CBO's performance were examined. These consisted of: statutory functions, organizational structure, staffing, similarities/dissimilarities with OMB, and comparison with other support agencies.

Conflicting assessments of CBO's performance were found to be a result of differences of opinion regarding CBO's appropriate role and external relationships, but moreover, these varying perceptions are associated with the specific, budget orientation and needs of the various Congressional clients it serves. Finally, an empirical examination is undertaken of CBO's actual and potential impact in terms of a set of propositions which define the process model for CBO-Committee interaction vis-a-vis the Congressional defense decision-making system.

A compilation of significant findings related to the inventory of propositions (A, B, and C) presented in chapter five is provided below:

1. CBO's studies have been relevant to specific Congressional needs and have materially contributed in making more data available to assist Congress in arriving at better informed decisions.

2. One of many inputs into the budget process, the CBO has aided the Congress in exercising greater scrutiny and evaluation of Administration/DOD policy and budget recommendations. It has provided competent and objective analysis of policy alternatives and associated budgetary implications on complex defense issues.

3. Use of CBO's defense policy studies has gradually shifted from predominantly the House and Senate Budget Committees, to more frequent requests and interaction from the Armed Services Committees.

4. CBO's policy analyses are generally regarded by committee staffers as being knowledgeable, high-grade, analytically sound, robust, unbiased, and complete. Correspondingly, its National Security and International Affairs Division is staffed with highly capable personnel, who are knowledgeable and experienced in defense affairs.

5. CBO doesn't necessarily design new options; for the most part, it just analyzes them. NSIAD's analyses are essentially a critical review of the services' or DOD's figures/proposals. However, it can make different assumptions and validate the data and analysis underlying those estimates, independent of the executive.

6. CBO's policy analyses do occasionally influence key or controversial decisions on important defense issues. On a limited scale, CBO's analyses of options have influenced "narrower" defense topics, nonetheless having considerably broad policy implications. Prominent examples have been the military pay raise, survivor benefits, "high-three" retirement annuity averaging formula, and "high/low" weapons systems mix issues.

7. CBO's defense analyses are more apt to affect the outcome of small decisions that may (or may not) contribute tothe outcome of big issues. Its policy studies have

had more effect on soft, less technical issues such as manpower and compensation versus hard, highly technical R&D and procurement decisions.

8. CBO's analyses and testimony have rarely entered full or subcommittee debate, but rather their use and attendant interaction occurs more frequently at the committee staff level. To the extent its studies are cited, CBO's views, during committee discussion in markup, may hold less weight than committee staff reports, since committees have their own investigative and survey staffs on specific programs.

9. The budget impact of CBO's analyses in terms of outlay projections, focus on overall trends in budget levels, and cost-cutting alternatives, is much greater than the impact of its policy analysis on force structure decisions for any specific defense program. This reaction stems from the differential budget orientation and needs among the committees that review CBO's studies. Thus, the Budget Committees and Defense Appropriations Subcommittees are more interested in how much should the MX-missile cost, and not whether we should have one. Still, CBO's analyses have given considerable attention to programmatic choices, in most cases projecting cost estimates primarily for comparative purposes.

10. Closer ties, both formal and informal, have developed regarding CBO-committee staff coordination and collaboration.

Interaction at the staff level is regular and generally uniform throughout the year, however, most work is directed toward the budget timetable. CBO has also established stronger coordination with its companion support agencies, dispelling any visible committee concern over waste and redundancy.

C. RECOMMENDATIONS FOR FURTHER RESEARCH

The following areas are deemed appropriate for further investigation, as they relate to efforts to more accurately assess the impact of CBO's policy analyses on the Congressional decision-making system.

1. An indepth look at whether the CBO has reversed the predominantly negative image of the Congress as being nonrational, splintered, basically crisis oriented, and "political" in its policy decisions.

2. A more vigorous assessment of the contention that CBO has exercised more influence over defense issues vis-a-vis domestic issues involving Congressional policy debate. Although the data examined in this research indicate that CBO defense-related reports constitute a larger proportion of total reports published than any other single issue, further investigation is warranted to reveal the comparative impact of CBO's analyses on domestic issues.

3. No discernible evidence was obtained that would prove or disprove the existence of CBO - committee staff rivalry regarding the scope and quality of their respective

policy analyses. The role attributed to CBO's policy analysis is to lay out the relevant issues and try to distinguish them. Committee staff analysis differs from CBO's in that they generally support a position that is already decided on, trying to get a consensus or influence the boss' position. Some conflict necessarily arises concerning whose option should be supported. An interesting revelation would be how efforts to subdue any destructive rivalry affects the selection criteria used by CBO for its self-initiated studies.

APPENDIX A: STATUTORY TASKS ASSIGNED TO CBO

CBO's statutory tasks are listed here in the order in which they appear in the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344). Citations are to the U.S. Code and, in parentheses, to section numbers of Public Law 93-344.

(1) In general, provide information to the two Budget Committees on all matters within their jurisdiction, 2 USC 602(a), (202(a)).

(2) On request, provide information to the appropriating and taxing committees, 2 USC 602(b), (202(b)).

(3) On request of any other committee, provide information compiled under (1) and (2) plus, "to the extent practicable," additional information that may be requested, 2 USC 602(c)(1), (202(c)(1)).

(4) On request of a Member, provide information compiled under (1) and (2) plus "to the extent available," additional information that may be requested, 2 USC 602(c)(2), (202(c)(2)).

(5) Perform the duties and functions formerly performed by the Joint Committee on Reduction of Federal Expenditures, 2 USC 602(e), (202(e)), see also 31 USC 571.

(6) Annually on or before April 1, furnish to the Budget Committees a report on fiscal policy for the next fiscal year, to include a discussion of alternative levels of revenues, budget authority, outlays, and tax expenditures, plus alternative allocations among major programs and functional categories, all in the light of major national needs and the effect on "balanced growth and development in the United States," 2 USC 602(f)(1), (202(f)(1)).

(7) From time to time, furnish the Budget Committees such further reports as "may be necessary or appropriate," 2 USC 602(f)(2), (202(f)(2)).

(8) Develop and maintain filing, coding, and indexing systems for all information obtained by CBO from the Executive Branch or from other agencies of the Congress, 2 USC 603(b), (203(b)).

(9) With respect to each committee bill providing new budget authority, furnish to the reporting committee for its consideration: (a) a comparison of the bill with the most recent concurrent resolution on the budget, (b) a five-year projection of outlays associated with the bill, and (c) the amount of new budget authority and resulting outlays provided by the bill for state and local governments, 31 USC 1329(a)(1), 308(a)(1)).

(10) With respect to each committee bill providing new or increased tax expenditures, furnish to the reporting committee for its consideration: (a) a report on how the bill will affect the levels of tax expenditures most recently detailed in a concurrent resolution on the budget, and (b) a five-year projection of the tax expenditures resulting from the bill, 31 USC 1329(a)(2), (308(a)(2)).

(11) Periodically, issue a scorekeeping report on the results of Congressional actions compared with the most recently adopted concurrent resolution on the budget, plus status reports on all bills providing new budget authority or changing revenues or the public debt limit, plus up-to-date estimates of revenues and the public debt, 31 USC 1329(b), (308(b)).

(12) Annually, "as soon as practicable after the beginning of each fiscal year," issue a five-year projection of budget authority and outlays, revenues and tax expenditures, plus the projected surplus or deficit, year by year, 31 USC 1329(c), (308(c)).

(13) Prepare "to the extent practicable" a five-year cost estimate for carrying out any public bill or resolution reported by any committee (except the two appropriating committees), 31 USC 1353, (403).

(14) Study jointly with the Office of Management and Budget, but report separately, on the feasibility and advisability of year-ahead budgeting and appropriating, the report to be made by February 24, 1977, 31 USC 1020 note, (502(c)). (The report was submitted on that date).

(15) Cooperate with the Comptroller General in development of standard fiscal terminology, 31 USC 1152(a)(1), (801(a)), (Sec. 202(a)(1) of the Legislative Reorganization Act of 1970).

(16) Cooperate with the Comptroller General in developing an inventory of fiscal information sources, providing assistance to the Congress in obtaining information from those sources, and furnishing, on request, assistance in appraising and analyzing information so obtained, 31 USC 1153(b), (801(a)), (Sec. 203(b) of the Legislative Reorganization Act of 1970).

(17) With the Comptroller General, establish a central file or files "of the data and information required to carry out the purposes of this title," 31 USC 1153(c), (801 (a)), (Sec. 203(c) of the Legislative Reorganization Act of 1970).

(18) Cooperate with the Office of Management and Budget in providing useful federal fiscal information to state and local governments, 31 USC 1153(d), (801(a)), (Sec. 203(d) of the Legislative Reorganization Act of 1970).

Source: Congressional Budget Office, Responsibilities and Organization, pp. 11-13, Fall 1980.

APPENDIX B: CONGRESSIONAL BUDGET DEADLINES

October-December: Congressional Budget Office submits five-year projection of current spending as soon as possible after Oct. 1.

November 10: President submits current services budget.[1]

December 31: Joint Economic Committee reports analysis of current services budget to budget committees.

Late January: President submits budget (15 days after Congress convenes).

Late January-March: Budget committees hold hearings and begin work on first budget resolution.

March 15: All legislative committees submit estimates and views to budget committees.

April 1: CBO provides a report to the two Budget Committees on fiscal policy and national priorities for the next fiscal year.[2]

April 15: Budget committees report first resolution.

May 15: Committees must report authorization bills by this date.

May 15: Congress completes action on first resolution. Before adoption of the first resolution, neither house may consider new budget authority or spending authority bills, revenue changes, or debt limit changes.

May 15 through the 7th day after Labor Day: Congress completes action on all budget and spending authority bills.

- Before reporting first regular appropriations bill, the House Appropriations Committee, "to extent practicable," marks up all regular appropriations bills and submits a summary report to House, comparing proposed outlays and budget authority levels with first resolution targets.

- CBO issues periodic scorekeeping reports comparing congressional action with first resolution.

- Reports on new budget authority and tax expenditure bills must contain comparisons with first resolution, and five-year projections.

- "As possible," a CBO cost analysis and five-year projection will accompany all reported public bills, except appropriation bills.

August: Budget committees prepare second budget resolution and report.

September 15: Congress completes action on second resolution. Thereafter, neither house may consider any bill or amendment, or conference report, that results in an increase over outlay or budget authority figures, or a reduction in revenues, beyond the amounts in the second resolution.

September 25: Congress completes action on reconciliation bill or another resolution. Congress may not adjourn until it completes action on the second resolution and reconciliation measure, if any.

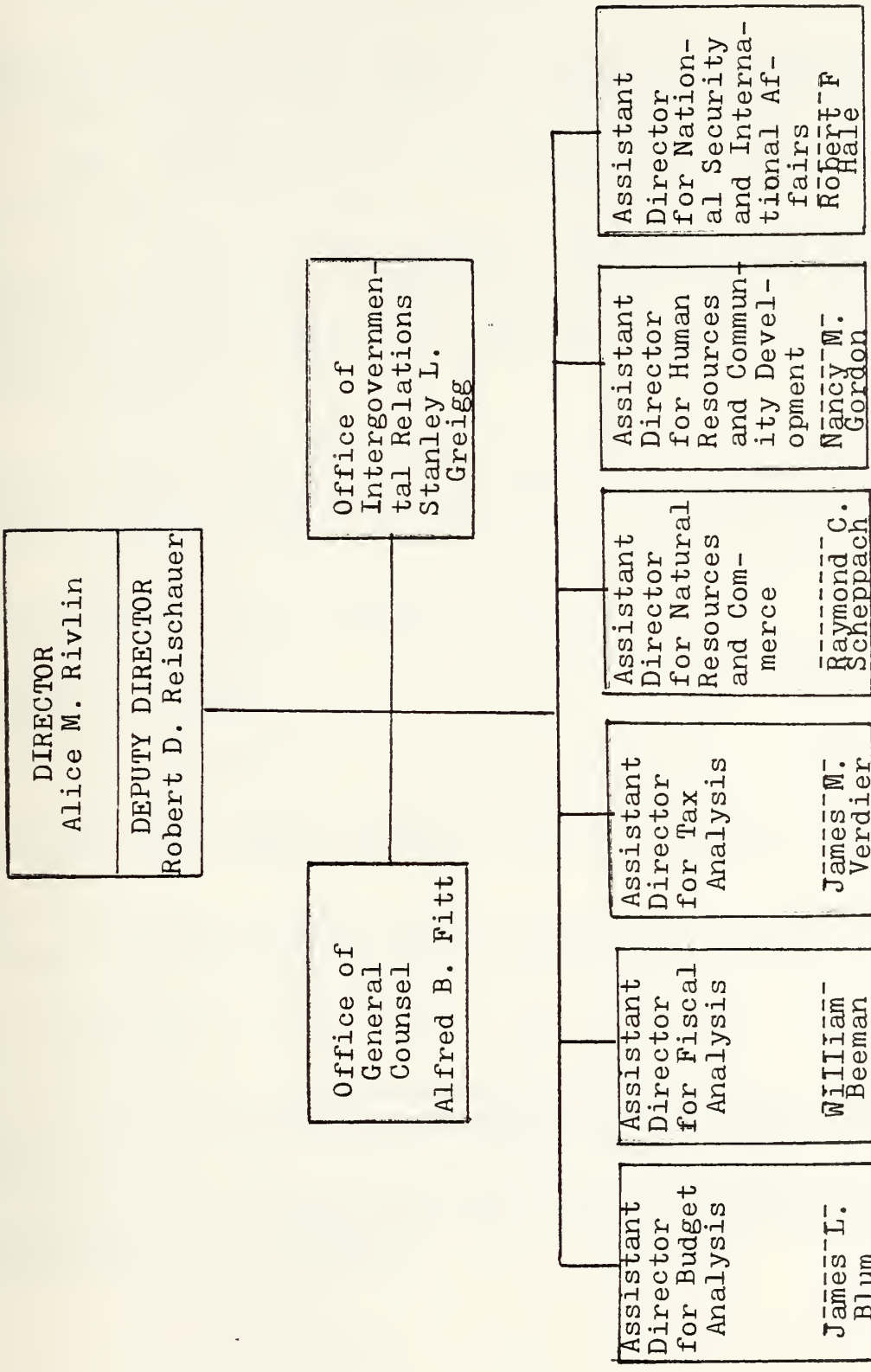
October 1: Fiscal year begins.

[1]"By agreement between the Budget Committees, Appropriations Committees, and OMB, the current services budget is now submitted in January in the President's Special Analyses of the Budget." [Ref. 27: p. 8]

[2]The CBO annual report and economic forecasts are now submitted to the Budget Committee in January or February to be used in preparation for markup of the first budget resolution." [Ref. 27: p. 7]

Source: Congressional Quarterly Almanac, Congressional Budget Control: New Budget System Survives First Year Intact, p. 918, 1975.

APPENDIX C: CBO ORGANIZATION CHART



Source: Congressional Budget Office - Responsibilities and Organization, Fall 1980.

APPENDIX D: QUESTIONS FOR MEMBERS OF COMMITTEE STAFFS

1a. Have CBO's formal products had a direct, identifiable impact on "outcomes"? Can you elaborate on specific reports and their impact on Congressional defense budget decisions?

b. How frequently are the results of CBO studies entered into Congressional debate over a particular defense issue?

c. Is testimony by CBO members regarding their defense studies most likely to take place before Congressional committee staffs, or committee members? Before committee markups, or floor debate? Does such testimony play a major part in influencing a committee position or ultimate policy decision?

d. In describing CBO's impact on defense policy-making, would you say that CBO has categorically changed the outcomes of big issues, or rather, that it has influenced smaller decisions that inevitably impact on larger ones?

2. Which of the following would best describe your committee's usage of CBO's analyses?

a. A supplement to the committee's own studies and budget estimates.

b. An extension of its own analytical staff resources.

c. Just another service agency, whose studies and estimates are used as a basis for the committee's own analyses.

3. The scope of CBO's policy analyses can be measured in terms of three distinct areas of influence. These are:

a. CBO's analysis of the pros and cons of policy alternatives,

b. CBO's assessment of Defense/Nondefense trade-offs (e.g., Is a cut in defense spending much too high a price to pay for a national health insurance plan?), and

c. CBO's estimates of the budgetary ramifications of defense policy alternatives (e.g., cost estimates and multi-year outlay projections).

Can you rank these from most value to least value with respect to defense policy-making?

4. Among the following, what would you consider to be the most important or useful contribution that CBO's studies have made to the defense budget process?

a. The decision process is made longer.

b. Budget decisions are made through a more rational process.

c. More alternatives are made available to Congress.

d. More data are available to assist Congress in making more informed decisions.

e. Any other supportive dimension?

5. Who uses CBO's defense policy analyses the most - committee staffers or committee members?

6. Qualitatively, in what way have CBO reports impressed you? (e.g., objective, credible, knowledgeable, high-grade, unbiased, etc.)

7. What is your impression of the CBO staff - Committee staff relationship in terms of the following dimensions?

a. Respect for each other (mutual : insensitive)

b. Frequency of interaction (regular : infrequent)

c. Communicative style (formal : informal)

d. Degree of collaboration (close : restrained)

8a. With respect to degree of interaction, is the use of CBO's information and studies by committees tied to the budget timetable, or is it uniform throughout the year?

b. Proportionally, how would you divide CBO's usage among the various military committees?

c. Do you feel that the staffing pattern within the National Security and International Affairs Division of CBO is adequate to meet the defense policy analysis needs of the military committees? If not, how can it be improved?

9. Do you think the CBO has really fulfilled its mandate of being impartial, and do you think that it will continue to do so in the future? Will the impatience of Members of Congress that seek definitive guidance on which budget option to support eventually cause the CBO to change its approach?

10. In terms of the utility and impact of CBO's products, have you seen a change over the years?

APPENDIX E: QUESTIONS FOR CBO (NSIAD) STAFF MEMBER

1. Who uses CBO's defense policy analyses the most - committee staffers or committee members?

2a. Does interaction with these committees occur on a year around basis, or does CBO liaison with committees correspond to specific events within the budget cycle/timetable? (e.g., BC's April 15 report on 1st concurrent resolution, or ASC's May 15 authorization bill deadline).

b. If the former is the case, within a given week, in what proportion would you say NSIAD delt with the Budget Committees, Appropriations Defense Subcommittees, and Armed Services Committees?

3. Do you perceive an element of rivalry between the CBO and Congressional committee staffs regarding the quality of your respective policy analyses?

4. Does the NSIAD have a strategy of its own for influencing Congressional committees? For example, do you coordinate early and regularly in your preparation of studies, with the committees?

5a. Does the NSIAD sometimes find it difficult to remain or appear impartial in its studies?

b. What happens when a particular policy alternative, as analyzed by the CBO, appears to be more attractive than others?

6. What has been the reaction from Members of Congress concerning CBO reports that make no recommendation as to what budget option to support? Impatient? Indifferent?

7a. What techniques or methodologies does the NSIAD use to develop costing/outlay estimates for different types of defense programs?

b. What is the source of all the information used to derive such estimates?

c. What methods are used to verify or insure validity of the information obtained from a particular source?

8. Does NSIAD collaborate internally with other CBO divisions regarding its studies? What is the nature of this interaction? (e.g., cost estimates?)

9. To what extent does NSIAD coordinate or collaborate with outside agencies and private consultants in development of its studies?

10. What is your outlook on NSIAD's effect on defense issues now, and its impact on Congressional defense policy-making in the future?

APPENDIX F: CONTACTED CONGRESSIONAL STAFF LISTING

1. Robert F. Hale
   Asst. Director, NSIA Division
   Congressional Budget Office

2. William Cleary
   Associate Director for National Security Programs
   House Budget Committee

3. John Plashal
   Subcommittee on Defense
   House Appropriations Committee

4. Bob Emmerichs
   Subcommittee on Personnel and Compensation
   House Armed Services Committee

5. Judd White
   Subcommittee on Procurement
   House Armed Services Committee

6. Bill Stringer
   Asst. Staff Director
   Senate Budget Committee

7. Dwight E. Dyer, Staff Director
   Subcommittee on Defense
   Senate Appropriations Committee

8. Rhett Dawson
   Staff Director
   Senate Armed Services Committee

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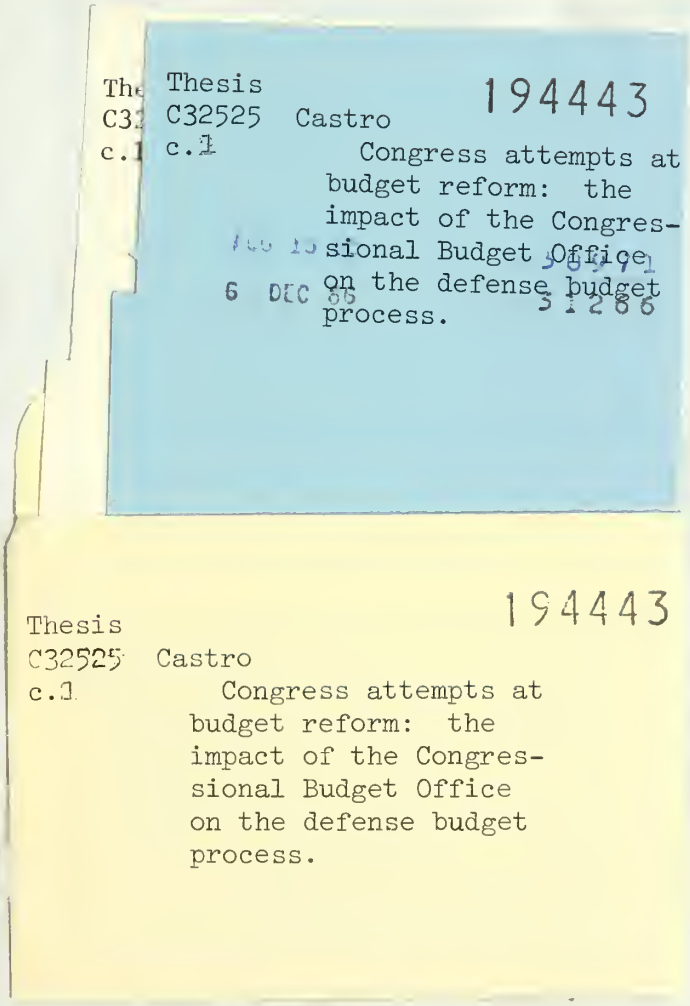
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